

Code: BA1T6

I MBA-I Semester-Regular Examinations-MARCH 2013

BUSINESS ETHICS AND CORPORATE GOVERNANCE

Duration: 3 hours

Max. Marks: 70

SECTION – A

1. Answer any FIVE of the following

5 X 2 = 10 Marks

- a. Distributive justice
- b. Social ethics
- c. Consumer autonomy
- d. Whistle-blowing policy
- e. Sarbanes-Oxley Act, 2002
- f. Sustainability reporting
- g. Target marketing
- h. Utilitarianism

SECTION – B

Answer the following:

5 X 10 = 50 Marks

2. a) Define Business Ethics. Explain the nature and goals of Business Ethics. (OR)
b) Discuss the main reasons for unethical practices among Indian Corporations.
3. a) Describe the interface of Financial Management and Ethical issues. (OR)

- b) What do you understand by frauds in Banks? What measures do you suggest to curtail such frauds in Indian Banking sector?
4. a) Give a brief account of the ethical issues involved in advertising. (OR)
b) Define HRM. Discuss the genesis and growth of HRM.
5. a) Explain SEBI's initiatives in respect of Corporate Governance. (OR)
b) Discuss in detail the role of Auditors in ensuring good corporate governance.
6. a) What do you mean by Corporate Social responsibility? Discuss the CSR activities required to be initiated taking any example of Steel Plant of your choice. (OR)
b) Explain the social responsibility of any Public Sector Undertaking of your choice towards its various stakeholders.

SECTION – C

7. Case Study

1X 10 = 10 Marks

In the world of advertising agencies, there is a trend toward acquisition and merger that has resulted in very large companies who bundle specialities and services for their clients. W.B. Doner, Inc., a medium-sized international advertising agency, has decided to buck that trend and remain independent. The

Southfield, Michigan-based advertising agency, with nine offices in various parts of the United States, is one of the largest independent agencies in the world. It is no slouch when it comes to landing and keeping major accounts such as Mazda, Coca-cola, and American Greetings. Its 1999 billings totaled approximately \$1.5 billion. Also, despite its independent status, over the past three years the company has become one of the fastest growing agencies in terms of increased billings and revenues. *Adweek magazine* named W.B.Doner one of its 1999 Agencies of the year, and in a separate evaluation ranked the company among the top four agencies in the country, based on management, growth and creativity.

In an interview with office.com, Chairman and CEO Alan Kaltar was quoted as saying, “Being bigger does not equal being better, and our business model has been working very well”. Part of that business model has been the development of a flexible and innovative corporate culture, which is pervasive in the organization. Although many of the larger firms in the industry have very formal and structured cultures, W.B.Doner’s executives believe that its distinctive culture rewards entrepreneurship behavior and creativity and at the same time requires teamwork among its employees.

The core values of W.B.Doner’s corporate culture and ethics can be summarized in the words of the company’s founder: “ Be creative first, all other things second”. In other words the organization supports its employees in pursuing the best ideas

for its clients and will not allow anything to get in the way of the attainment of that goal. For example, the company intentionally hires entrepreneurial individuals who enjoy the freedom and responsibility of work that doesn't involve much direction or supervision. Instead, individuals are encouraged to think 'outside of the box' or work on their own if needed. Although employees are encouraged to think on their own, all ideas are subject to open and honest critique from co-workers. Management believes that constructive criticism is essential in developing the best ideas for clients. The company also offers an annual "heart, head and funny bone" award to the employee who best typifies the organization's ethical fabric and perpetuates its core values.

Finally, at W.B.Doner, regardless of where an idea originates (the top, the middle, or the bottom), all ideas are critiqued. Debates and discussions of ideas often become intense, but the company does not permit them to become personal; criticism of individuals isn't permitted. W.B.Doner makes this clear distinction to encourage all employees to express their opinions openly to allow the best ideas to emerge and eventually be presented to clients.

1. What forms of inappropriate behavior are identified for employees of W.B.Dones?
2. Comment on the organizational ethics at W.B.Doner.