

M. COM
THIRD SEMESTER
CORPORATE GOVERNANCE & BUSINESS ETHICS
MCM-303

(Use separate answer scripts for Objective & Descriptive)

Duration: 3 hrs.

Full Marks: 70

(PART-A : Objective)

Time: 20 min.

Marks: 20

Choose the correct answer from the following:

1x20=20

1. An independent director is one who:
 - a. Did not attend a school supported by the company.
 - b. Does not have any other relationships with the company other than his or her directorship.
 - c. Does not have outside relationships with other directors.
 - d. All of the above.
2. What according to Cadbury committee (2002) Corporate Governance is an issue of power and:
 - a. Accountability
 - b. Rights
 - c. Responsibilities
 - d. Profits
3. Which of the following is not an OECD?
 - a. The equitable treatment of shareholder.
 - b. Disclosure and transparency.
 - c. Responsibility of government.
 - d. Ensuring the basis for an effective corporate governance framework.
4. Which corporate governance report focused specifically on Directors Remuneration?
 - a. Cadbury Committee
 - b. Greenbury committee
 - c. Hampel committee
 - d. OECD principles
5. Ethics are important because:
 - a. Suppliers prefer to deal with ethical companies.
 - b. Customers prefer to deal with ethical companies.
 - c. Employees prefer to deal with ethical companies.
 - d. All the above.
6. Hampel committee was set up in which year?
 - a. 1995
 - b. 1993
 - c. 1999
 - d. 1994
7. Which schedule of the companies given about the activities related to Corporate Social Responsibility?
 - a. Schedule V
 - b. Schedule II
 - c. Schedule VII
 - d. Schedule VI
8. Under which Chairmanship Birla committee of Corporate Governance was set up?
 - a. Kumar Mangalam Birla
 - b. Aditya Birla
 - c. Raj Birla
 - d. Kumar Birla

9. The chairperson of the board of directors and CEO should be leaders with:
 - a. Vision and problem solving skills
 - b. Business acumen
 - c. The ability to motivate
 - d. All of the above
10. Corporate Social responsibility committee shall consist of..... or more directors.
 - a. One or more
 - b. Three or more
 - c. Two or more
 - d. Four or more
11. In which year OECD principles were revised?
 - a. 2005
 - b. 2003
 - c. 2004
 - d. 2010
12. According to Clause 49 an independent director is..... director.
 - a. Non-executive
 - b. Managing
 - c. Women
 - d. Executive
13. The primary stakeholders are:
 - a. Customers
 - b. Suppliers
 - c. Shareholders
 - d. Creditors
14. The goal of corporate governance and business ethics education is to:
 - a. Teach students their professional accountability and to uphold their personal integrity to society.
 - b. Change the way in which ethics is taught to students.
 - c. Create more ethics standards by which corporate professionals must operate.
 - d. Increase the workload for accounting students.
15. The corporate governance structure of a company reflects the individual companies':
 - a. Cultural and economic system
 - b. Legal and business system
 - c. Social and regulatory system
 - d. All of the above
16. One of the objectives of the Sarbanes-Oxley Act was to:
 - a. Increase the cost of compliance with federal regulations.
 - b. Force foreign companies to delist from U.S. capital market exchanges.
 - c. Improve the quality and transparency of financial reporting.
 - d. Increase the compliance burden for small companies.
17. An organization's appropriate tone at the top promoting ethical conduct is an example of:
 - a. Ethics sensitivity
 - b. Ethics incentives
 - c. Ethical behavior
 - d. Consequentialist
18. An independent director is one who:
 - a. Did not attend a school supported by the company.
 - b. Does not have outside relationships with other directors.
 - c. Does not have any other relationships with the company other than his or her directorship.
 - d. All of the above.
19. The chairperson of the board of directors and CEO should be leaders with:
 - a. Vision and problem solving skills
 - b. The ability to motivate
 - c. Business acumen
 - d. All of the above
20. A board that is elected in a classified system is known as a:
 - a. Diversified board
 - b. Staggered board
 - c. Rotating board
 - d. Declassified board

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(PART-B : Descriptive)

Time: 2 hrs. 40 min.

Marks: 50

[Answer question no.1 & any four (4) from the rest]

1. Broadly explain the concept of Corporate Governance highlighting the needs and principles of it. 10
2. What do you mean by Corporate Mis-Governance? Write down few instances of corporate Mis-Governance. 2+8=10
3. a. Briefly explain the Role of Board of Directors in Governance as per Companies Act, 2013. 5+5=10
 b. Give an overview of historical perspectives of corporate Governance highlighting the corporate governance system of UK.
4. a. Explain the structure and process of Corporate Governance. 10
 b. Discuss the corporate governance issues in mergers and acquisition.
5. Write short notes on: 5+5=10
 a. Hampel Committee Report.
 b. Naresh Chandra Committee Report.
6. Discuss the SEBI's Guidelines relation to the appointment of Independent directors and their remuneration. 3+7=10
7. Write briefly about the Cadbury Committee Report. State the recommendation of Cadbury committee relating to Board of directors and Reporting and Controls the Cadbury code of best practices. 2+8=10
8. What do you mean by Corporate Social Responsibilities (CSR)? Discuss the different provision of Companies Act 2013 regarding CSR of the corporate house in India. 2+8=10

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