



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years

DEC 2023

PAPER No.4 (enrollment code CPM, CPS)
PAPER No. 5 (enrollment code - PMM, PSM, CMM, CSM) [OFFLINE EXAM]

BUSINESS ETHICS & CORPORATE SOCIAL RESPONSIBILITY

Date : 14.12.2023
Time : 2.00 pm to 5.00 pm

Max. Marks: 70
Duration : 3 Hrs.

Instructions:

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark - Total 20 marks
2. Part B answer any 3 questions out of 5 questions. Each question carries 10 marks - Total 30 marks
3. Part C is a case study. Read the case carefully and answer the questions - Total 20 marks

PART – A

(20X1= 20 Marks)

(Compulsory - Attempt all questions each question carries 1 mark)

Q.1 Select the right answer

[5 marks]

1. Business ethics refers to right or wrong behaviour in business decisions - who said this?
(a) Buchholz (b) Crane (c) Hanson (d) Ross
2. _____ deals with norms, values or standards on how one should act.
(a) Meta ethics (b) Normative ethics (c) Applied ethics (d) Relative ethics
3. Right or wrong decisions are based on circumstances and on the outcome of the consequences
(a) Absolutist theory (b) Relativist theory (c) Teleological theory (d) Deontological theory
4. Cognitive moral development model was suggested by
(a) Hanson (b) Ross (c) Baumhart (d) Kohlberg
5. According to _____ the 4 elements for the development of ethical leadership are
(a) Klostermaier (b) Dr. Grace (c) Haralambos (d) Lau Tzu

Q.2 Fill in the blanks

[5 marks]

1. Transparency in the procurement process is one of code of conduct in _____
2. In order to implement an effective CSR activity it must be aligned with the _____
3. Lack of resources is a key challenge faced by the organizations in effective implementation of _____
4. The apex of Carroll's CSR pyramid has _____
5. Conservation of resources is one of the important components of _____

Q.3 Mention True or False

[5 marks]

1. Virtue theories lays emphasis on having a good mentality and habits
2. Social contract theory is one of the theories of the deontological theory
3. Business ethics constitutes a code of conduct that must be followed
4. Top management need not be a role model for good culture and ethical behaviour
5. Values of an individual refers to the wealth owned by the individual

Q.4 Match The following**[5 marks]**

		COLUMN B	
Sr. No.		Sr. No.	
1	CSR activities	A	Carroll's pyramid
2	Legal responsibility	B	Accountability of management
3	Stakeholder theory	C	Increase shareholders wealth
4	Corporate governance goal	D	Hindu undivided family
5	Karta	E	Positive publicity

PART - B**[Total 30 marks]****Answer any THREE out of the following five questions:**

- Q5.** (a) What are the six stages of Cognitive Moral Development model by Kohlberg? **[5marks]**
 (b) What are the 4 popular corporate governance models? Explain each briefly **[5marks]**
- Q6.** (a) What are the measures to be taken by organizations against unethical production practices **[5marks]**
 (b) What are the obstacles faced in the implementation of CSR? **[5marks]**
- Q7.** (a) What is VBM and what are its elements and what are its advantages? **[5marks]**
 (b) What is the suggested framework for the implementation of CSR? Explain with diagram. **[5marks]**
- Q8.** (a) Explain the some of the challenges faced in handling ethical dilemma? Explain briefly. **[5marks]**
 (b) What are the points that will help in the development of an ethical organizational culture? **[5marks]**
- Q9.** (a) What is the importance of ethics in business **[5marks]**
 (b) What are principles of corporate governance? Explain briefly **[5marks]**

PART - C**[Total: 20 Marks]****Q.10****CASE STUDY (Compulsory)**

Mr. Alfred is the owner of an industry that was instituted at the fringes of a rural community. The industry has been doing well. One of the reasons the industry has grown and sustained is due to the support he has received from the local community. Mr. Alfred, recently heard the terminology 'Corporate Social Responsibility' and took interest. He wanted his organization to contribute to the upliftment of the society in as many areas as possible based on Carroll's framework.

He was keen on the implementation of CSR activities. He formed a team of senior executives and employees and discussed his ideas with them. He communicated to the team the importance of succeeding in this venture. He also came across the terminology 'sustainable development.' He took up this initiative as he felt this to be part of CSR (especially for the future generation). He created a list of activities that his company must implement in order to follow the path of sustainable development.

During the course of the implementation of some of the CSR activities Mr. Alfred noticed other benefits accruing to the company.

Questions:

1. What is Carroll's framework of CSR and explain each of the components.
2. What are the options available for Mr. Alfred for implementing the CSR activities? Explain
3. What are the considerations listed out for sustainable development by Mr. Alfred?
4. List out some of the competitive advantages as experienced by the company.