



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

DEC 2023

PAPER No. 5 (enrollment code - PMM, PSM, CMM, CSM) [ ONLINE EXAM ]

## BUSINESS ETHICS & CORPORATE SOCIAL RESPONSIBILITY

Date : 14.12.2023  
Time : 2.00 p.m to 5.00 p.m

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. \_\_\_\_\_ values refer to non-material aspects in the lives of individuals  
(a) Leadership (b) Democratic (c) Simplistic (d) Spiritual
2. The foundational philosophy that aims to \_\_\_\_\_ for its stake holders is value-based management  
(a) Create reputation (b) Create value (c) Create products (d) Create work
3. \_\_\_\_\_ is when a decision has to be made between a morally upright choice and organizational goal  
(a) Ethical dilemma (b) Conflict of interest (c) Turnover (d) All of these
4. Fewer conflicts is one of the benefits of \_\_\_\_\_ leadership in an organization  
(a) Relationship based (b) Hierarchical (c) Value based (d) Autocratic
5. \_\_\_\_\_ of corporate governance is also known as the two-tier board and continental board models  
(a) German model (b) Anglo American (c) Japanese model (d) Indian model

#### Q.2 Fill in the blanks

[5 marks]

1. In \_\_\_\_\_, the leaders take the role of inspirational innovators willing to take risks
2. \_\_\_\_\_ is the base in the CSR pyramid suggested by Carroll
3. \_\_\_\_\_ pact is an agreement between the buyer and bidders to refrain from unfair practices
4. \_\_\_\_\_ is the process that satisfies the current needs without compromising on the future needs
5. \_\_\_\_\_ refers to a system of rules, regulations and processes to direct and control the organization

#### Q.3 Mention True or False

[5 marks]

1. Ethics is a branch of study of human behaviour that deals with the right and the wrong
2. Absolutism in ethics refers to the laying out of fixed norms and standards for all the people
3. According to utilitarianism theory, an action is good as long as it results in maximum satisfaction for self
4. Ethics is based on the religious practices that are followed in the society
5. Ethical leadership is a combination of being a moral person and being a moral manager

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

		<b>COLUMN B</b>	
Sr. No.		Sr. No.	
1	Transparency International	A	Personal and organizational goals
2	Friendly & Collaborative environment	B	Integrity pact
3	Conflict of interest	C	Ethical leadership
4	4 – V Model	D	Investment
5	Challenges for CSR	E	Clan culture

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

- Q5.** (a) What are the three general theories of ethics? Explain briefly each of them **[5marks]**  
 (b) Explain what you understand by Carroll's CSR pyramid. **[5marks]**
- Q6.** (a) Explain Dr. Bill Grace's model of ethical leadership and what are the 4 important elements? **[5marks]**  
 (b) What are the concepts of CSR that can be used to gain competitive advantage? **[5marks]**
- Q7.** (a) What are the advantages of having a good value system? **[5marks]**  
 (b) What are the important features of business ethics? **[5marks]**
- Q8.** (a) What is corporate governance and what are its objectives? **[5marks]**  
 (b) Explain the code of conduct for public procurement practitioners? **[5marks]**
- Q9.** (a) Explain the code of ethics that has to be followed by managers? **[5marks]**  
 (b) What is the corporate philosophy that is part of corporate governance? **[5marks]**

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

Mr. Ram is the head of manufacturing in a large company dealing with consumer goods. He has been facing difficulty due to supplies that were not up to the mark from one of the suppliers who is related to the CEO of the company. He knew that he has to sort out this issue as early as possible to avoid customer complaints. His friend Mr. Prasad, from marketing, has identified similar issues that are marketing related and product related. These issues are likely to endanger the company and product reputation simultaneously. In addition large number of human resources is employed by this firm. The head of HR has taken all necessary precautions to avoid ethical issues in the area of human resources. Improper handling of these issues will lead to poor morality and poor performance. The company's growth and future performance will be at stake. All agencies working in an organization face this kind of dilemma from time to time. For the company to perform and come out of these kinds of issues, it is essential some kind of common values has to be inculcated into the employees.

**Questions:**

1. Define this problem being faced by Mr. Ram? How can he overcome this problem?
2. What are the likely issues that could come up in marketing area? Explain briefly.
3. According to HR what are the ethical issues that can be faced in the HR department?
4. What are the values that have to be imbibed into its employees? Explain briefly