



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

## Post Graduate Diploma in Logistics & SCM

### Post Graduate Diploma in Materials Management - 2 years

PAPER No. 5, (enrollment code- PMM,PSM, CMM,CSM)

DEC 2024

### Business Ethics and Corporate Social Responsibility

Date: 19.12.2024

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

Max. Marks: 70

Duration : 3 Hrs

#### Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark.
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 20 marks.
3. Part C is a case study (compulsory) Read the case study carefully and answer the questions

Total : 20 Marks

Total : 30 Marks

Total:20 Marks

#### Part – A

[20 Marks]

(Attempt all questions. Each sub question carries 1 mark.)

#### Q.1 Select the right answer

[5 marks]

- 1) The principles followed by public procurement practitioners are  
(a) Economy (b) Accountability (c) Fairness (d) All of these
- 2) One of the factors in the effective implementation of CSR framework is  
(a) Sustainability (b) Social factors (c) Operational factors (d) All of these
- 3) Lack of community participation is one the \_\_\_\_\_ in CSR implementation  
(a) Challenges (b) Options (c) Advantages (d) None of these
- 4) \_\_\_\_\_ responsibility is the foundation on which Carroll's framework of CSR is formulated  
(a) Economic (b) Ethical (c) Legal (d) All of these
- 5) \_\_\_\_\_ is the branch that ethics where it seeks to understand the nature of ethical behaviour  
(a) Normative ethics (b) Applied ethics (c) Meta ethics (d) Virtue ethics

#### Q.2 Fill in the blanks

[5 marks]

- 1) \_\_\_\_\_ views moral values as dependent on different societies and situations
- 2) Ethical egoism is one of the theories of \_\_\_\_\_
- 3) Social justice theory is one of the theories of \_\_\_\_\_
- 4) Cognitive Moral Development Model was proposed by \_\_\_\_\_
- 5) Honesty is one of the \_\_\_\_\_ for managers in an organization

#### Q.3. State True or False

[5 marks]

- 1) Business ethics is a set of rules and regulations that have to be followed
- 2) The 4-V model depicts the model that is to be followed by an ethical leader
- 3) Creating artificial scarcity is a distribution related unethical practice
- 4) Ethical dilemma is faced by a manager when he has to decide between multiple options
- 5) One of the objectives of good corporate governance is to increase the stakeholder's wealth

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

COLUMN A		COLUMN B	
Sr.No.		Sr. No.	
1	Clan culture	A	Operational cost savings
2	CSR activities	B	Teleological theory
3	Scalability	C	Cognitive Moral Development model
4	Utilitarianism	D	Friendly and collaborative environment
5	Self-Interest	E	Implementation of effective CSR

**PART B****(Attempt any 3. Each question carries 20 marks)**

- Q.5.a)** Explain the 3 levels and six stages of cognitive moral development stated by Kohlberg **[5 marks]**
- b)** What is business ethics? Who are the people affected and what are its features? **[5 marks]**
- Q.6. a)** Explain each of the 3 types of values **[5 marks]**
- b)** What is ethical dilemma and explain the step-by-step process for resolving it? **[5 marks]**
- Q.7.a)** What is the kind of ethical dilemma faced by the finance function in an organization? **[5 marks]**
- b)** What are the powers of the Karta in a HF and what are his 4 major responsibilities? **[5 marks]**
- Q.8. a)** Explain the 3 theories of corporate governance **[5 marks]**
- b)** What is the characteristic of a healthy corporate culture? Explain the four types of cultures **[5 marks]**
- Q.9.a)** What are the factors that forces the business to take part in sustainable development? **[5 marks]**
- b)** How does an organization gain competitive advantage with proper implementation of CSR? **[5 marks]**

**PART - C****[20 marks]****Q. 10. Case study – Compulsory**

Mr. Charles joined as the CEO of M/s Southern Star. He left the previous organization because of some of the unethical practices followed by them. One of the very important reasons for taking up the assignment with M/s Southern star was the reputation the organization has built up as an ethical organization. His main aim was to help people resolve issues of ethics (dilemma) in a positive manner. He felt that HR will be a good department to start this exercise. In addition, he wanted all his managers to follow a model code of ethics (to be trained by HR) which must reflect on all his subordinates and their decisions. This, he hoped will bring about a highly disciplined ethical organization. Mr. Charles was aware that all his efforts will not bring sufficient recognition in the society. He wanted to implement a CSR program to gain the recognition. However in order to implement his CSR strategy he faced multiple hurdles and he set about solving each of them. Mr. Charles knew very well that his job was not complete with the successful implementation of the CSR activities. This was not a one-time activity and required to be continuously carried out and further improved upon as the engagement with the society improves. He had already prepared a CSR measuring and reporting system (based on the Global Reporting Initiative) that will be used for monitoring the CSR activities of the organization. With the actions initiated to bring an ethical culture across the organization coupled with the CSR activities Mr. Charles was confident that M/s Southern Stare will achieve new heights

**Questions**

- What are the ethical dilemma issues faced by human resource department? **[5 marks]**
- What were the model code of ethics desired by Mr. Charles from his managers? **[5 marks]**
- What were the hurdles faced by Mr. Charles in the implementation of his CSR Objectives? **[5 marks]**
- How will the monitoring of the CSR activities Mr. Charles in achieving the CSR activities? **[5 marks]**