



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Supply Chain Management & Logistics

Post Graduate Diploma in Materials Management - 2 years  
PAPER No. 4

**JULY 2019**

## Business Ethics and Corporate Social Responsibility

Date : 23.07.2019  
Time : 2.00 p.m. to 5.00 p.m.

Max. Marks : 100  
Duration : 3 Hrs.

### Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark. **Total : 20 Marks**
2. From Part B – Answer any 3 questions out of 5 questions. Each question carries 20 marks. **Total : 60 Marks**
3. Part C is a case study (compulsory) with questions. Read the case study carefully and answer the questions **Total: 20 Marks**

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### Part – A

**20 Marks**

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

#### Q.1 Select the right answer from the given choices. [5 marks]

- 1) Organizations that are guided by ethics and values are \_\_\_\_\_ in the long run  
*a. Profitable                      b. Loss                      c. no effect*
- 2) Business ethics is the basic \_\_\_\_\_ which lays out the foundation for conducting business properly.  
*a. Framework,      b. firework,                      c. fieldwork*
- 3) \_\_\_\_\_ denotes the final liberation from worldly pursuits.  
*a. Moksha,                      b. final journey,                      c. end of life.*
- 4) Karma states that when you dwell on negative thoughts, you create your own path to \_\_\_\_\_  
*a. Self-destruction,      b. Goodwill,                      c. Power.*
- 5) Indian law prohibits the advertisements that promote the usage of \_\_\_\_\_  
*a. Alcohol and Cigarettes, b. fashion clothes,      c. food items.*

#### Q.2 Write True or False

**[5 marks]**

- 1) Beliefs of individuals affect the manner in which they act under different circumstances
- 2) Without Dharma, Artha and Kama cannot be balanced
- 3) A CSR strategy should exclude a company's normal business operations.
- 4) A good value system is necessary to facilitate technological advancements.
- 5) Ethical leaders strive to do what is right and good

**Q.3 Abbreviate the following.**

**[5 marks]**

- 1) VBM      2)KPI      3) HUF      4) SROI      5) CMD

**Q.4 Fill in the blanks**

**[5 marks]**

- 1) Ethics is a subject of social \_\_\_\_\_ that is related to moral principles and social values.  
2) It is the duty of every person to \_\_\_\_\_ the rights of other people.  
3) \_\_\_\_\_ refer to non-material aspects in the lives of individuals.  
4) The corporate governance model of India is a mixture of the German and \_\_\_\_\_  
5) A common barrier in the implementation of CSR is the unavailability of \_\_\_\_\_

**PART B**

**60 marks**

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

**Q.5 a) Differentiate between ethos and ethics**

**[10 marks]**

- b) List and explain the lessons learnt from the following two scriptures and how these can be applied in management?**

**[10 marks]**

- 1) Mahabharata  
2) Gita

**Q. 6 a) What objectives are served by a good system of corporate governance? [10 marks]**

- b) Explain the models of corporate governance?**

**[10 marks]**

**Q.7 a) What are the steps in CSR strategy development?**

**[10 marks]**

- b) Enumerate various areas of CSR implementation?**

**[10 marks]**

**Q.8 a) Discuss Nishkam Karma in detail?**

**[10 marks]**

- b) Explain the elements and advantages of Value- based Management?**

**[10 marks]**

**Q.9 Write short notes on any 4 of the following- [4 x 5=20 marks]**

- a) Concept of ethos.  
b) Types of Purusharthas .  
c) Types of Values.  
d) The Law of Responsibility.  
e) Types of corporate cultures.

**Q. 10. Case study – Compulsory**

Satyam Computer service Limited was one of the pioneers in the business area of computer and information technology services all over India. It received many awards for its innovation, fast growing business and governance,

From the period 2003-2008 Satyam achieved great success and had recorded a stupendous sales revenue of \$467 million. However, the company encountered a major fraud in 2009, which ruined the company and its entire business. The global and Indian business community was shocked when the director of the company, Mr. Ramalinga Raju, wrote a confession letter to all stakeholders, government

Regulators and the Securities and Exchange Board of India (SEBI) stating that the accounts of the company were manipulated and carried huge irregularities disclosing discrepancies between actual balances and reported fake balances in its financial statements.

The company had shown fake balances of thousands of crores together with fake deposits, recorded understatement of liabilities, made overstatement of quarterly revenues, done unauthorized appropriation from the money transferred to fake salary accounts.

The auditing firm, Pricewaterhouse Coopers, also failed to detect any financial scam in its books.

This reflected badly on the integrity of the auditing firm, SEBI, independent directors, the audit committee and other investors also failed to detect the fraud and provide a truthful image of the company. The company failed in fulfilling its duty of loyalty and true disclosure to its shareholders,

**Answer the following Questions. [2 x10 = 20 marks]**

Q-1. What do you understand by the shortcomings of corporate governance in above case?

Q, 2 how does satyam's Scandal represent a failure of corporate governance in India?

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