2026

COMMERCE

(2nd Semester)

Course No.: CM805E

(Business Ethics and Corporate Governance)

Full Marks: 60

Time: 3 hours

The figures in the margin indicate full marks for the questions

*Answer **all** questions*

1. **(a)** Why has ethics become an important subject for the successful conduct of business? Explain the sources that lead a business into ethical dilemmas. What steps can a business take to resolve such dilemmas? Discuss. **(4+4+4 = 12)**

(OR)

(b) How are ethical decisions made in a business? What are the intervening factors that influence a business in arriving at ethical decisions? Discuss. **(4+8 = 12)**

2. **(a)** Discuss the contribution of agency theory and stewardship theory in ensuring effective corporate governance. How do the two theories differ from each other? **(8+4 = 12)**

(OR)

(b) Discuss the regulation of Corporate Social Responsibility (CSR) in India under the Companies Act, 2013. Why is there a debate regarding the need for CSR activities? Discuss. **(7+5 = 12)**

3. **(a)** Compare the recommendations of the Cadbury Committee with the OECD Principles of Corporate Governance. **(6+6 = 12)**

(OR)

(b) Discuss in detail the recommendations of the Kumar Mangalam Birla Committee, 1999. What changes has the capital market witnessed after the Committee's recommendations? Discuss. **(9+3 = 12)**

4. **(a)** Discuss the meaning of the Board of Directors. Discuss the role, powers, and duties of the Board of Directors in corporate governance. **(3+3+3+3 = 12)**

(OR)

(b) Discuss the composition, powers, and responsibilities of the various board committees in a company. **(4+4+4 = 12)**

5. **(a)** Define whistle-blowing. Explain its types, as well as its positive and negative aspects in modern organizations. **(3+3+3+3 = 12)**

(OR)

(b) Comment on the circumstances that led to the occurrence of the following scams:

(i) Satyam Computers

(ii) Lehman Brothers **(6+6 = 12)**

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