

[Total No. of Questions - 20] [Total No. of Printed Pages - 3]  
(2064)

14956

**MBA 4th Semester Examination**  
**International Business Ethics and**  
**Social Responsibility (N.S.)**

**IB-06**

**Time : 3 Hours**

**Max. Marks : 60**

*The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/continuation sheet will be issued.*

**SECTION - A**

All the questions are compulsory. Each question carry 2 marks each.

1. What is the gist of stakeholders' theory of corporate governance?
2. What are the main conditions to become a good corporate citizen?
3. Differentiate morality and ethics.
4. Tariff and Non-tariff barriers to trade.
5. Define the term Ombudsman.
6. Basic tenants of Utilitarianism.
7. What is moral hazard?
8. Describe Sustainable Development.
9. Define Corporate Social responsibility (CSR)
10. What do you mean by Integrity? (10×2=20)

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**[P.T.O.]**

**SECTION - B**

Attempt any four questions (Five marks each)

1. 'Corporate Management and Corporate Governance are the two faces of same coin'. Comment.
2. Write short note on Sarban Oxley Act (SOX).
3. Normative Vs relative ethics.
4. Corporate Social Responsibility is more of legal than ethical issue or more ethical than legal issue. Justify this statement.
5. 'Milton Friedman view on corporate social responsibility is in direct contrast with modern context of CSR'. Do you think that Friedman's views are relevant in the 21<sup>st</sup> century?
6. Modern businesses are being charged with excessive corruption. How can an organisation build a shield to protect them from being corrupt? (4×5=20)

**SECTION - C**

Attempt any two questions (Ten marks each)

1. Examine the implications of Kyoto Protocol on business in International markets.
2. Examine the various theories of corporate governance. Which is the best out of all according to you and why?
3. What steps have been initiated at policy level for sustainable development in India?
4. Case: In 1998 a leading cold drink company set up a bottling plant in a southern state. Since it opened, local villagers have complained about the fall in the amount of water available to them and have blamed the fall in supplies on this company who, they claim, use up to a million litres per day at the plant. Company claims that the shortage in the water is due to the lack of rains in the region. Company even sends round tankers

of water to the region to help the local community. Local farmers are claiming that their livelihood has been destroyed since the building of the plant and that the number of people working on the land has dropped considerably because they cannot survive.

This brand has become one of the most popular drinks in India. Following the cleaning of the bottles, a waste sludge is produced that company have been disposing of on the land of the local farmers claiming it was a useful fertilizer. Following a BBC Radio 4 programme, sample of the sludge were analysed by scientists at Exeter University in the South West of England and found to contain toxic chemicals including lead and cadmium- both of which can be harmful to humans- and further suggested that there was little or no benefit of the sludge as a fertilizer. Recent tests by the local state laboratories find that the levels of toxic chemicals is within safety levels but it should not be used as a fertilizer.

In a separate development, sales of the company have been hit by suggestions that its drinks produced in India contained higher levels of pesticide residues than was healthy! A large number of bodies have joined in the campaign for the local community demanding the plant to be closed down and that test be carried out on the company to assess its safety. A lawsuit to this effect was thrown out in August which prompted unnecessarily scared large numbers of company's customers and put thousands of jobs in its plants throughout India at risk. Company claims to employ in excess of 5,000 people in the country not to mention the many thousands that are linked in some way to the product.

Questions:

- (i) To what extent are company meeting the needs of its primary stakeholders?
- (ii) As a business professional, what would you suggest to company to handle this situation? (2×10=20)