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M-4456

Sl.No.

Total No. of Pages :3

I Semester M.Com. Examination, December 2017

(Scheme : CBCS)

COMMERCE

Hc 02 Corporate Governance

Time :3 Hours

Max. Marks : 70

PART - A

Answer any five of the following questions. Each questions carries five marks.

[5×5=25]

Q1) Define corporate governance. What are its principles?

Q2) Define ethics. What are functional ethics?

Q3) Explain role of directors in corporate governance.

Q4) Write a short note on audit committee composition.

Q5) What are the unethical practices related to financial management?

Q6) 'Whistle blowing has become need of the hour'. Comment.

Q7) Write a note on insider trading.

Q8) Explain the CII'S contribution to corporate governance.

PART - B

Answer any three of the following questions. Each question carries ten marks.

[3×10=30]

Q9) How does Indian model of corporate governance differ from others? Discuss.

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Q10) Discuss the contribution of Birla committee to corporate governance reforms in India.

Q11) What are the provisions relating to the composition of the board? Discuss.

Q12) "SEBI aims to protect the interests of investors in securities." Describe the regulatory role of SEBI.

Q13) Describe the basic principles of business ethics.

PART - C

Q14) Case study (Compulsory): **[1×15=15]**

Michael Douglas Ivester, Coke's Chairman and CEO said. "Our product is quite healthy. Fluid replenishment is a key to health. Coke does a great service because it encourages people to take in more and more liquids." But, on June 13, 1999, Coca-Cola (Coke) recalled over 15 million cans and bottles after the Belgian Health Ministry announced a ban on Coke's drinks, which were suspected of making more than 100 school children ill in the preceding six days. This recall was in addition to the 2.5 million bottles that had already been recalled in the previous week. The company's products namely Coke, Diet Coke and Fanta had been bottled in Antwerp, Ghent and Wilrijk, Belgium while some batches of Coke, Diet Coke, Fanta and Sprite were also produced in Dunkirk, France.

Children at six schools in Belgium had complained of headache, nausea, vomiting and shivering which ultimately led to hospitalization after drinking Coke's beverages. Most of them reported an 'unusual odor' and an 'off - taste' in the drink. In a statement to Reuters, Marc patten, a spokesman for the Belgian Health Ministry explained the seriousness of the issue; "Another 44 children had become ill with stomach pains, 42 of them at a school in Lochristi, near Ghent, northwest Belgium.

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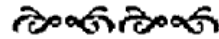
We have had five or six cases of poisoning of young people who had stomach pain after drinking (the suspect beverages)". In the same week, the governments of France, Spain and Luxembourg also banned Coke's Products while Coke's Dutch arm recalled all products that had come from its Belgium plant. The entire episode left more than 200 Belgians and French, mostly school children, ill after drinking the Coke produced at Antwerp and Dunkirk.

The company had to assure its British customers that the products made in its UK factories were safe. By June 15, 1999, Coke had recalled about 30 million cans and bottles, the largest ever product recall in its 113 - year history. For the first time, the entire inventory of Coke's products from one country were banned from sale.

As part of a damage control exercise, Coke sent a team of scientists to Europe. During its visit to Europe after a week of these incidents, Coke's chairman and CEO Michael Douglas Ivester said, " We deeply regret any problems encountered by our European consumers in the past few days." Coke Belgium even announced that it would reimburse the medical costs for people who had become ill after consuming its products.

Questions:

- a) What are the arguments for and against business ethical conscience?
- b) Give your comments on the ethical issues involved in the case.



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