

## Programme..Master of Commerce (MCom)

### MCM5001 CORPORATE GOVERNANCE AND BUSINESS ETHICS

Course Code	MCM5104	Semester	I
Course Title	<i>CORPORATE GOVERNANCE AND BUSINESS ETHICS</i>		
Credits	3	Type	ELECTIVE

This course shall have 3 lecture hours, 2 practicals, 1 tutorial.

**This is a Skill based, employability based, and entrepreneurship skill based course.**

#### Course Objective

The primary objective of this course is to empower public sector professionals with: An in-depth understanding of Corporate Governance in Public Services, including all spheres of management – action plans, internal controls as policies and procedures to protect against fraud and misconduct, performance management for quality delivery, disclosures for transparency and for building trust and credibility. Knowledge of how to balance between financial optimization, shareholder resolution, and well-being and public quality of life

#### Learning Objectives

- To provide the students an understanding of ethical issues related to business and good governance necessary for long term survival of business
- To develop a candidate's ability to critically analyse ethical issues in business
- To identify different stakeholders and understand why they may hold differing perspectives on ethical issues
- To develop the understanding of ethical issues related to business and good governance necessary for long term survival of business.
- To understand business ethics and to provide best practices of business ethics
- To learn the values and implement them in their careers to become good managers.
- To develop various corporate social responsibilities and practice in their professional life
- To imbibe the ethical issues in corporate governance and to adhere to the ethical codes.

#### Course Structure

##### UNIT-I

Meaning and Definition of Corporate Governance- Evolution of Corporate Governance- Major Stakeholders of a Corporate Body and their goals- Communication mechanism of corporate organization with stake holders- Objectives Corporate Governance- Principles of Corporate Governance- Elements of Corporate Governance- Board of Directors- Executive Directors- Independent Directors- Powers, Duties and Responsibilities.

##### UNIT-II

Theories and Models of Corporate Governance- Conceptual Framework of Corporate Governance- Legal framework of Corporate and administrative framework- regulatory framework of corporate governance in India- SEBI guidelines and clause 49- Reforms in the Companies Act- Secretarial Audit- Class action- NCLT- Insider trading- rating agencies- green governance- shareholders' activism- corporate governance in PSUs and banks- Whistleblowing and Corporate Governance- Types of whistleblowers-

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Whistleblowerpolicy-WhistleBlowerLegislationacrosscountries- Developments inIndia, Green Initiatives in Corporate Governance, Environmental Investment.

### **UNIT-III**

Various Committees on Corporate Governance- International- Blue ribbon Committee- Cadbury Committee- Greens burry Committee- Kings Committee- Securities and Exchange Commission Report- Indian; Birla Committee, Narayanamurthy Committee- JJ Irani Committee, Naresh Committee Report. Uday Kodak Committee Report Corporate Reporting Framework- ReportingofRemuneration-ServiceContractofDirectors-FinancialReportingoftheactivitiesof the company as per clause 49 of the Companies and SEBI Act. IFRS- Need- Importance- Significance-Use.Corporate Governance System Worldwide, Corporate Disclosure and Investor Protection inIndia. Ethical Issues related to Advertisements, Finance, Investment, Technology and EthicalDilemma. Balanced Global Environment Balanced global environment, Kyoto Protocol concern of global warming, judicious use of naturalresources

### **UNIT-IV**

BusinessEthics–Concept,Characteristics,ImportanceandNeedforbusinessethics.IndianEthos, Ethics and Values, Work Ethos. Sources of Ethics, Concept of Corporate Ethics, code of Ethics- Guidelines for developing code of ethics, Ethics Management Programme, Ethics Committee- Various approaches to Business Ethics - Theories of Ethics- Friedman’s Economic theory,Kant’s Deontological theory, Mill & Bentham’s Utilitarianism theory - Gandhian Approach in Management and Trusteeship, Importance and relevance of trusteeship principle inModernBusiness,Gandhi’sDoctrineofSatyaandAhimsa,- EmergenceofnewvaluesinIndianIndustries after economic reforms of 1991. Relevance of Indian Ethos; Salientfeature, Ethics&MoralStandardsImportanceofEthics&Moralstandards;Ethics&Moral Decision Making, Ethical Principles inBusiness. Ethics and Business System Ethics and Business System: Markets, Environment, Trade, Consumer Production and Marketing, Finance,HRHolistic Approach for Managers in Decision Making, Professional ethos and code of professionalethics., Environmental metrics, Social Responsibility of Corporates, Corporate Social Reporting, Corporate Governance and the Role of Board of Directors(BOD), Sustainability Risk Assessment.

### **Practicals**

- Examine two approaches of trusteeship principle mechanized by any 3 reputed corporates in the automobile sector.
- Compare the code of ethics of 2 Multi-National Companies of Beverage Industry.
- Examinethecasesofprofessionalethicsfailureofanythreecompaniesoperating in automobile sector.

### **Skills**

- Develop an understanding about various duties and responsibilities of an organization towards theirstakeholders.
- Attain an understanding about the significance of business ethics in anorganization
- Understand the relationship between corporate governance and socialimplication.
- Create an understanding about various committees and their importance in corporate governance.

### **Learning/Course Outcomes**

- Explain and evaluate the importance of corporate and professional responsibility and ethicalbehaviour

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- Evaluate responsibilities of governance and how they are operating in complex environment
- Demonstrate an ability to write and debate about aspects of business ethics and corporate governance in a manner that is analytical, logical and critical.
- To analyze the ethical codes in corporate governance
- To analyze various employee issues and formulate an ethical code for solving the issue.

### Books for Reference

1. Andrew Crane and Dirk Matten (2007), Business Ethics, Oxford University Press
2. A.C.Fernando, K.P.Muraleedharan & EKSatheesh: Corporate Governance Principles, Policies and Practices – Pearson.
3. Blowfield, Michael, and Alan Murray, Corporate Responsibility, Oxford University Press.
4. Bob Tricker: Corporate Governance: Principles, Policies and Practices- Oxford University Press.
5. Francesco Perrini, Stefano and Antonio Tencati, Developing Corporate Social Responsibility- A European Perspective, Edward Elgar.
6. Ghosh.B.N. , Business Ethics and Corporate Governance- McGraw Hill Education
7. Indian Institute of Corporate Affairs- Corporate Governance: Taxman
8. Jawahar Lal Corporate Financial Reporting Theory and Practice-Taxman
9. Mallin, Christine A., Corporate Governance, Oxford University Press, New Delhi.
10. Mathur UC – Corporate Governance & Business Ethics, Millan
11. Reed Darryl – Corporate Governance, Economic Reforms & Development, Oxford University Press
12. Robert A.G Monks & Nell Minow: Corporate Governance: Wiley
13. Satheesh Kumar. T.N: Corporate Governance: Principles and Practices: Oxford University Press
14. Sharma. J.P., Corporate Governance and Social Responsibility of Business., Ane Books Pvt Ltd, New Delhi
15. Singh S: Corporate Governance-Global Concepts and Practices- Excel Books
16. V Balachandran and V Chandrasekaran: Corporate Governance, Ethics and Social Responsibility: PHI
17. Velasquez – Business Ethics – Concepts and Cases , Prentice Hall

### Cases-International

1. Bank of Credit and Commerce International –UK
2. Maxwell Communication Corporation and Mirror Group Newspapers (UK)
3. Enron (USA)
4. Anderson worldwide (USA)
5. Vivendi (France), Lehman Brothers (USA)
6. Johnson & Johnson (USA)
7. WorldCom (USA)

### Cases-Indian

1. Satyam Computer Services Ltd
  2. Sahara
  3. Kingfisher Airlines Ltd,
- (Common governance problems noticed in various corporate failures; policy actions including major codes and standards).