

MMS - IV

01.03.2009

Business Ethics & Corp. Governance

BECG 04

Roll No.:

Time: 3 Hours

marks: 60

Total No. of printed pages: 2

NOTE: 1. Case study questions are compulsory. Write any 4 questions from the rest.

2. Examples from the Business world shall be appreciated

Q1. Read the case study and answer the following questions given below. (20)

On June 13, 1999 Coca Cola 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 was in addition to the 2.5 million bottles that had already been recalled in the previous week. The products (Coke, diet Coke, and Fanta) had been bottled in ANTWERP, GHENT AND WILRIJK in Belgium. Some other brands had been produced in Dunkirk, France.

Children at 6 schools in Belgium had complained of headache, nausea, vomiting and shivering after drinking Coke's beverages. In response to this situation, the Chairman and CEO of Coke said "we deeply regret any problems encountered by our European consumers in the past few days. We would reimburse the medical cost for the people who had become ill, after consumption of the drink."

The subsequent Business results were felt by Coke, that the second quarter performance were down by 21% and European Bottling venture showed a 5% fall in the revenues.

The analysts and consumers felt that Coke had information about the incident but it did not take action. They also questioned about the contracts made by Coke with schools. Coke had lot of criticism from health experts and public agencies for targeting school children. To the surprise of the critics the bans were lifted by the respective Governments within a month. Coke said that they had taken steps to combat the situation. Coke added that the pesticide residue at the bottle and bad batch of carbon dioxide were the reasons for it and the company took steps to correct the faults and restore the situation.

Questions: (20 Marks of 5 each)

1. Comment on the Coke's strategy of sales promotion, from BE & CG perspective.
2. What are the abilities that are possessed by international companies to handle these kinds of situations? What does business ethics say?
3. What news you have heard in India on this same kind of situation? Explain it in detail.
4. What social responsibilities are expected from such MNCs who are world famous?

Q2.(A)What is business ethics? Write an overview on Ethics(5)

(B) What do you know about the Infosys's corporate Governance?(5)

Q3.(A)What code of Business practices are best – according to Cadbury committee's report?(5)

(B)Write Your views on ethical theories(5)

Q4.(A)How corporate codes can be implemented in the organizations?

(B)Write about Gandhian philosophy of wealth management and Trusteeship.

Q5(A)What environmental issues are related with business ethics?

(B)What various models are found in Corporate Governance?

Q6 (A)Write in short about Insider trading and Money Laundering.

(B)Define corporate Governance and its various issues.

Q7.(A) Write short notes on role of chairman, responsibilities of directors.

(B)Write Short notes on (a) Kumaramangalam Birla Committee Report (b) CII and OECD report