

## **Generic Elective /Interdisciplinary Courses:**

### **FG 101: BUSINESS ETHICS & CORPORATE GOVERNANCE**

#### **Course Objective:**

The objective of this paper is to make the students aware about the importance of ethics in the business, practices of good governance to encourage moral imagination and heightening sensitivity towards the ethical dimension of managerial problems.

#### **Learning Outcomes:**

After the completion of the course the students should be able to:

- Understand the importance of ethics and corporate governance in the day-to-day working of organizations
- Learn the issues involved in maintaining ethics and how to deal with such situations
- Learn scope of business ethics in Compliance, finance, Human resources, marketing, production.

#### **Course Contents:**

##### **Unit I**

**(3 weeks)**

Business ethics: Introduction: Meaning of ethics, Types of business ethic issues, why ethical problems occur in business, Ethical dilemmas in business Ethical principles in business: Utilitarianism: weighing social cost and benefits, Rights and duties Justice and fairness, The ethics of care, Integrating utility, rights, justice and caring, An alternative to moral principles: virtue ethics, Morality in international context, Ethical decision making-personal and professional moral development and moral reasoning, Computer ethics and business: Computer crime, Computers and corporate responsibility Property: information and software, Computer and privacy Professional ethics: Ethics in international business.

#### **References:**

Velasquez Manuel G: Business ethics- concepts and cases, PHI. (Chapter 1, 2)

Fernando A.C.: Business Ethics ó An Indian Perspective, Pearson. (Chapter 1, 2, 3, 4)

Crane Andrew & Matten Dirk: Business Ethics, Oxford. (Chapter 1, 7, 8)

Ghosh B N: Business Ethics & Corporate Governance, Mc Graw Hill. (Chapter 9, 11)

## **BUSINESS ETHICS & CORPORATE GOVERNANCE**

### **Unit II**

**(3 weeks)**

Corporate governance: concept, need to improve corporate governance standards, Features of good governance, Corporate governance abuses, Role played by regulators to improve corporate governance. Different Approaches to Corporate Governance, Leadership and Corporate Governance, Different models of Corporate Governance, Landmarks of Corporate Governance, Rights and Privileges of shareholders, Investor's Problem and protection, Corporate Governance and Other Stakeholders, Board of Directors; Role, Duties and Responsibilities of Auditors, Bank and Corporate Governance, Business Ethics and Corporate Governance.

International experience- UK scenario (Cadbury, Greenbury and Hampel committee; US scenario (Tread way commission, Blue ribbon committee, Sarbanes oxley act); OECD principles

Indian experience- imperatives, CII code of best practices, Kumar Mangalam Birla, Naresh Chandra, Narayan Murthy committee report, Accounting standards and corporate governance Corporate governance rating- need, importance, process, parameters

#### **References:**

Fernando A.C.: Business Ethics ó An Indian Perspective, Pearson. (Chapter 7)

Velasquez Manuel G: Business ethics- concepts and cases, PHI. (Chapter 5, 6, 7, 8)

Sharma J P: Corporate Governance, Business Ethics & CSR, Ane Books. (Chapter 3, 4, 7, 8, 9, 10)

### **Unit III**

**(3 weeks)**

Moral issues in business: Importance of moral issues and reasoning, Principles of moral reasoning, Quality of work life, implications of moral issues in different functional areas of business like finance, HR and marketing.

Whistle blowing: Kinds of whistle blowing, Blowing as morally prohibited, Whistle blowing as morally permitted, Whistle blowing as morally required, precluding the need for whistle blowing.

Marketing truth and advertising: Marketing, Advertising, Truth and advertising, Manipulation and coercion, Allocation of moral responsibility in advertising

Trade secrets, corporate disclosure, insider trading: Trade secrets, corporate disclosure, insider trading, Accounting, finance, corporate takeovers: Accounting finance and banking, corporate

## **BUSINESS ETHICS & CORPORATE GOVERNANCE**

restructuring and takeovers, Discrimination, affirmative action, and reverse discrimination:

Equal employment opportunity, Affirmative action, Preferential hiring

Environmental protection: Safety and acceptable risk, Environmental harm, Pollution and its control, Product safety and corporate liability, strict liability

### **References:**

Fernando A.C.: Business Ethics ó An Indian Perspective, Pearson. (Chapter 10, 11, 12, 14, 15, 18)

Sharma J P: Corporate Governance, Business Ethics & CSR, Ane Books. (Chapter)

Ghosh B N: Business Ethics & Corporate Governance, Mc Graw Hill (Chapter 11, 13)

Velasquez Manuel G: Business ethics- concepts and cases, PHI. (Chapter 5, 6, 7, 8)

DeGeorge Richard T.: Business Ethics, Pearson. (Chapter 13, 14, 15, 16, 20)

### **Unit IV**

**(3 weeks)**

Corporate social responsibility: Meaning, Evolution of corporate social responsibility, Limits of corporate social responsibility, Voluntary responsibility Vs. Legal requirements, Profit maximization vs. social responsibility

Socially Responsive Management: Strategies of response, formulating socially responsive strategies Implementing social responsiveness, making a social strategy work, Conceptual framework of social responsibilities of business, SWOT analysis for evaluating organizational framework for discharging social responsibility, Financial incentives for social responsibility, Role of self-regulation in discharge of social responsibility.

### **References:**

Fernando A.C.: Business Ethics ó An Indian Perspective, Pearson. (Chapter 10, 12)

Sharma J P: Corporate Governance, Business Ethics & CSR, Ane Books. (Chapter 12)

Ghosh B N: Business Ethics & Corporate Governance, Mc Graw Hill (Chapter 17, 18)

### **Text Books:**

1. Fernando A.C.- Business Ethics, Prentice Hall, Latest Edition.
2. Crane Andrew and Dark Matter- Business Ethics,Oxford Publications.
3. Davies Adrain ó Best Practices in Corporate Governance (Gower),Latest Edition.
4. Fernando A.C. – Corporate Governance óPrinciples, Policies, and Practices (Pearson Education).

## **BUSINESS ETHICS & CORPORATE GOVERNANCE**

### **Additional Readings:**

1. M. Jennings - Business Ethics, Latest Edition.
2. Corporate Governance ó Solomon Wiley Student Edition.
3. Harvard Business School Press- Harvard Business Review on Corporate Governance, 2000
4. Lynn Sharp Paine, Cases in Leadership, Ethics and Organizational Integrity- A strategic Perspective, 2000.

### **Teaching Learning Process:**

Class room lecture, Case study discussion, Numerical Problem solving, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play

### **Assessment Method**

1. Internal evaluation of 25% marks
  - a. Attendance 5% marks
  - b. Two internal evaluations by the teacher with 10% marks each out of which one must be a class test and other may be another test or home assignment or presentation. Faculty may take more than two assignments and (or) tests but total will be only 20% marks.
2. End term University Exam of 75% marks

**Key Words:** Business ethics, Corporate governance, Corporate social responsibility, corporate disclosure, Moral issues in business, self-regulation.