

**School of Business****Master of Business Administration MBA Dual Specialization  
Semester End Examination - Aug 2024**

Duration : 180 Minutes  
Max Marks : 100

**Sem I/VII - D1PK107T /MBDS5022 - Business Ethics and CSR**General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Mahindra has demonstrated a strong commitment to environmental sustainability by strategically investing in electric vehicles and green manufacturing processes aimed at mitigating carbon emissions. In the realm of electric vehicles, the company has directed resources towards research, development, and production of electric cars, contributing to the ongoing global shift towards cleaner and more sustainable transportation solutions. Assess the challenges faced by Mahindra to reduce carbon emissions in India. K5(5)
- 2) Identify and critically evaluate the impact of recent amendments to SEBI regulations on corporate governance practices in India. Discuss the rationale behind these amendments and their implications for listed companies. K3(6)
- 3) Evaluate the merits and limitations of the German model of corporate governance, recognized as the "co-determination" model, wherein the system involves the active participation of employees in decision-making processes, typically through the presence of employee representatives on company boards. K4(8)
- 4) Infosys founder, Narayan Murthy, chose not to allow family members in management to ensure an unbiased and merit-based approach, fostering a corporate culture focused on professionalism and competence rather than familial ties. This decision aimed to enhance transparency, accountability, and overall corporate governance within the organization. Critically examine the influence of family-owned businesses on corporate governance structures in India. K4(8)
- 5) Identify two potential criticisms of current sustainability reporting standards. How can the standard-setting process be improved to address these criticisms and enhance the effectiveness of sustainability reporting? K3(9)
- 6) Identify two contrasting business decisions, one based on utilitarian ethics and the other on deontological ethics. Discuss the potential implications of each decision on stakeholders and corporate reputation. K3(9)

- 7) A tech company wants to invest in renewable energy projects. Justify this investment by analyzing its long-term environmental impact, cost savings, and corporate reputation K5(10)
- 8) How do the corporate governance systems in Germany and Japan differ and share similarities? Provide a detailed comparison, highlighting distinctive features in board structure, ownership dynamics, regulatory frameworks, and overall approaches to corporate control, emphasizing the unique characteristics that define each system. K4(12)
- 9) Case: How Will the UN Plastics Agreement Impact Business? The Issue On March 2, 2022 in Nairobi, Kenya, an environmental assembly of 175 international representatives agreed on a roadmap toward a treaty to end plastics pollution. The United Nations Environmental Assembly determined that over the next two years, guidelines will be established for all aspects of the plastics industry, from production to distribution to waste to reuse. The approval of this plastics plan is being touted as the most crucial climate deal since the Paris Agreement. Details of the plan are aimed at curbing major companies from generating pollution in oceans, landfills, and in the air we breathe. While the Paris Agreement reduced greenhouse emissions, helping establish regulations on climate change issues, the new environmental treaty will tackle plastic waste and disposal across several industries, driving the issue of pollution and climate change peril into open discussions across major economic sectors for creative solutions that can be quickly implemented. “Plastic pollution is a planetary crisis, a threat that affects all of us,” Jeanne d’Arc Mujawamariya, the Rwandan environment minister, stated at the summit. “The real work now begins.” Why Is It News? The staggering percentages of plastic waste have led to estimates of 1.3 billion tons of global environmental damage by 2040. Consumer single-use items such as plastic bags and kitchen utensils are in the billions, and 20 million sea animals die annually due to plastic waste. Half the plastic in production is single-use, and only 14% of all plastics globally is recycled. Evolving business values that emphasize building prosperous economies through mindful environmental resolve remained a key tenet of the conversations in Nairobi. However, one point of contention in the agreement is determining the boundaries of liability between plastics producers and governments. It is unclear who will ultimately bear the cost of recycling, particularly for plastics exported to developing countries without the technical or financial infrastructure for recycling. Even in developed countries, including the United States, the costs of waste management are often passed to municipal governments that may already be financially spread thin. The process of discerning finer points of delineation in cost and obligation will advance throughout the treaty discussions. The considerations in the agreement target not just plastic waste but plastic production, particularly that of single-use plastics, a primary driver of pollution. The draft resolution recommends the sustainable redesign of plastic packaging so that it could be reused and recycled—a point that may have a drastic impact on consumer goods and retail K5(15)

companies that rely on plastic packaging or shipping materials. The issue of labor is also a critical point in the agreement. Plastic waste management is largely done by underpaid labor who risk injury and toxic vapors while collecting, sorting, and recycling plastic waste. This is the first time that pickers and recycling laborers have been formally recognized in a major sustainability initiative. The necessity for urgent change will undoubtedly impact businesses across multiple industries, particularly considering the projected \$100 billion risk if governments determine that businesses will be financially responsible for waste management. The redesign and re-evaluation of properties, production, recycling ability, and import/export issues will be part of the process in determining the most equitable and healthy plan for the world. Ultimately the success of the agreement will depend on the creative input of industry leadership in conjunction with the legally binding nature of the final treaty, which will potentially enforce punitive measures against nations or companies that violate the treaty. "We all know that an agreement will only count if it is legally binding," said Inger Andersen, executive director of the United Nations Environment Programme. "I have complete faith that once endorsed by this assembly we will have something truly historic on our hands." Questions (5 Marks each) 1. Which industries do you expect to be most impacted by the treaty? 2. What changes do you think businesses will have to make in order to be in compliance? 3. Who do you think should bear the cost of plastic waste management: plastic producers or local governments?

- 10) Company Daviz is facing a moral dilemma concerning a product recall. The company must decide whether to recall a potentially unsafe product, even though it will result in significant financial losses. Question: Compile a concise explanation of the utilitarian and deontological ethical theories and elaborate on how each theory would guide Company Daviz's decision-making process regarding the product recall.

K6(18)