

## GENERIC ELECTIVE (GE)-BMS

### ETHICS AND GOVERNANCE IN BUSINESS

#### Credit distribution, Eligibility and Pre-requisites of the Course

| Course title & Code                       | Credits | Credit distribution of the course |          |                     | Eligibility criteria | Pre-requisite of the course | Department offering the course               |
|-------------------------------------------|---------|-----------------------------------|----------|---------------------|----------------------|-----------------------------|----------------------------------------------|
|                                           |         | Lecture                           | Tutorial | Practical/ Practice |                      |                             |                                              |
| Ethics and Governance in Business (GE 12) | 4       | 3                                 | 1        | NIL                 | CLASS XII PASS       | NIL                         | Department of Finance and Business Economics |

#### Learning Objectives

The Learning Objectives of this course are as follows:

- The objective of this paper is to develop skills for recognizing and analyzing ethical issues in business and to equip students with moral reasoning for ethical decision making.
- The course aims to acquaint the students with basic concept and standards of corporate governance.

#### Learning outcomes

The Learning Outcomes of this course are as follows:

- Determining ethical dilemmas in common business situation and finding ways to solve it.
- Examine the role of ethics in different functional areas of business.
- Understand the importance of corporate governance in ensuring fairness, accountability and transparency in the organization.

#### SYLLABUS OF GE-12

##### Unit -1: Business Ethics

Introduction, meaning of ethics, moral and ethics, types of business ethical issues, why ethical problems occur in business, ethical dilemmas in business; Normative theories – Egoism, Utilitarianism, Ethics of duty, Ethics of rights and justice, Virtue ethics and ethics of care; Gandhian Ethics and its relationship with normative theories.

##### Unit -2: Ethical Issues in Functional Areas of Business

Finance: ethical issues in accounting, finance, banking, takeovers; Whistle blowing: kinds of whistle blowing, whistle blowing as morally prohibited, permitted and required, corporate disclosure; Insider trading.

HRM: Discrimination, affirmative action and reverse discrimination; Inclusion and preferential hiring; Sexual harassment.

Marketing: Green marketing; Product recalls; Ethics and Advertising.

Production: Safety and acceptable risk; Product safety and corporate liability; Green production..

Information technology : Cyber-crime; Privacy and internet ethics

### **Unit -3: Corporate Governance**

Concept, need to improve corporate governance standards, pillars of good governance; Role played by the Government as a regulator to improve corporate governance with reference to provisions introduced in the Companies Act. 2013; Board of Directors and their role in governance; Duties and responsibilities of auditors; Rights and privileges of shareholders, investor's problem and protection; Corporate governance rating process and parameters.

### **Unit -3: Corporate Governance Models and Committees**

Models of corporate governance; Committees on Corporate Governance: UK scenario (Cadbury Committee), US scenario (Sarbanes Oxley Act), OECD principles; Indian experience: An overview of recommendations of corporate governance committees in India - CII Code of Best Practices, Kumar Mangalam Birla Committee, Naresh Chandra Committee, Narayan Murthy Committee, Kotak Committee, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to composition and role of Board of Directors, and Role of independent directors

**Practical component (if any) - NIL**

### **Essential/recommended readings**

1. Fernando, A.C., "Business Ethics and Corporate Governance", Pearson Education India. (Chapter 1, 2)
2. Velasquez, Manuel G., "Business Ethics- Concepts and Cases", PHI. (Chapter 1, 2)
3. Fernando, A.C., "Business Ethics – An Indian Perspective", Pearson. (Chapter 1 to, 4; 9 to 12, 14,15,18))
4. Crane, Andrew and Matten, Dirk., "Business Ethics", Oxford. (Chapter 1, 7, 8)
5. Ghosh, B N., "Business Ethics and Corporate Governance," Mc Graw Hill. (Chapter 8, 9, 11)
6. De George, Richard T., "Business Ethics", Pearson. (Chapter 3, 4, 13 to 16)
7. Sharma, J. P., "Corporate Governance, Business Ethics and CSR", Ane Books. (Chapter 12)
8. Stanwick, Peter and Stanwick, Sarah, " Understanding Business Ethics", Sage Publications. (Chapter 10)
9. Arnold, Denis G., Beauchamp, Tom L., and Bowie, Norman E., " Ethical Theory and Business", Pearson Education ( Chapter 7)

### **Suggestive readings**

1. Fernando, A.C.- Business Ethics, Prentice Hall, Latest Edition.
2. Crane, Andrew and Matten, Dirk - Business Ethics, Oxford Publications.