

# P P SAVANI UNIVERSITY

Sixth Semester of B.Com. Examination  
May 2022

SMBC3290 Corporate Ethics and CSR

04.05.22, Wednesday

Time: 09:00 am to 11:30 am

Maximum Marks: 60

**Instruction:**

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same answer sheets.
3. Make suitable assumptions and draw neat figures wherever required.

**Section I**

- Q1 Answer the Following: (Any five) [05]
- (i) What do you mean by ethics?
  - (ii) Are CSR Reports Mandatory? Give reasons
  - (iii) What do you mean by corporate ethics?
  - (iv) What do you mean by ethical dilemma?
  - (v) What do you mean by Transparency?
  - (vi) List out the various approaches to business ethics.
  - (vii) What do you mean by green environment?
- Q2. (a) Explain utilitarianism ethical theory? [05]
- Q2. (b) Explain the various benefits of adopting ethics in business [05]

OR

- Q2. "Managers in both large and small enterprises face difficult ethical situations daily as they attempt to do their jobs. Since management decisions inherently involve ethical considerations, however, it is important that managers recognize the ethical elements that are embedded in their day-to-day job functions"- Explain with respect to Role & function of Ethical managers. [10]
- Q3. Explain in detail the Consequentialist and Non- Consequentialist Principles with respect to ethical theories. [10]

OR

- Q3. (a) In the fallout from Enron and others, many investors are paying closer attention to a company's ethics, as well as their profits. - Explain with respect to Profitability & Ethics in business. [05]

Q3. (b) Short Note: Code of Ethics [05]

OR

Q4 Write Short Note on: (Any one) [05]

- (i) Cost of ethics in Corporate ethics evaluation
- (ii) Approaches to environmental issues
- (iii) Ethical Dilemma

**Section II**

Q1. Answer the Following: (Any five) [05]

- (i) Define Subjectivism
- (ii) Why CSR is called "an – overlapping concept"?
- (iii) State importance of Ethics in Finance.
- (iv) Give the full form of ESG.
- (v) Define Morality
- (vi) What are the main challenges one faces while trying to convince companies about the importance of CSR reporting?
- (vii) What do you understand by Distributive Justice?

Q2. Explain in detail the Environmental aspects of CSR [10]

OR

Q2. (a) Explain in detail in various Drivers of CSR [05]

Q2. (b) Short Note: CSR & Business Ethics. [05]

Q3. Explain in detail the various initiatives of CSR activities undertaken by any 2 Companies. [10]

OR

Q3. Explain in detail Cultural Relativism with examples [10]

Q4. Case study: (Compulsory to attempt) [05]

Mr. Saran Prasad\* is a resident of Punjab, India. He is in the business of manufacturing washing soap and edible mustard oil. Both are sold in the market through their own retail stores and through distributor network.



Their products are well known in the market for their quality. Their retail stores were started by his grandfather. Subsequently his father also managed the same business which is now 30 years old. The brand name of washing soap is "Bright". Washing soap business is doing well. There are two brands in mustard oil viz., "Krishna" and "Rama". Krishna brand is more popular as compared to Rama. It is in the mustard oil business; Mr. Prasad is facing an ethical dilemma.

Mr. Prasad produces oil from the mustard seeds as shown in [Fig-1] below. The local seeds this year are yielding greenish / blackish oil, resulting in loss of demand from the market. Procurement of mustard oil seeds from states like Rajasthan and processing them is a costlier option. The production is affected by the power situation. Production capacity of the unit is 15 tins / day but due to power shedding it is reduced to even 5 to 7 tins sometimes. Production is proving to be costlier than trading. The brands produced by them do not have egg mark. The tins in local market are sold for \$30 with egg mark and \$25 without egg mark. Entire production is consumed within district and customers also come to unit to purchase loose oil.

The oil from tankers (30 drums / 5 tons) is tested manually by the supplier. In the absence of laboratory, the testing of oil from tanker is not done again. The nearest oil testing facility is 140 kilometers away. Lately, the margins are increasing on the sale of oil from tankers than their own production facility. How to increase profitability? There are many manufacturing units of Mustard oil in that district. They all blend mustard oil to reduce cost. The soybean oil from USA which is yellow and odor less is imported and is mixed with mustard oil. All the units in that area are following this practice. This blending of oils reduces the production cost. Some units also do not do billing properly. This results in avoidance of VAT.

The dilemma faced by Mr. Saran Prasad is whether he also should stop billing and start blending mustard oil like everybody else?

Identify the factors leading to ethical dilemma in this case.

Give advice to Mr. Prasad so that he may run the business ethically & profitably in the long term.