

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**MCom DEGREE EXAMINATION DECEMBER 2025
(First Semester)**

Common to Branches – **COMMERCE / COMMERCE WITH COMPUTER APPLICATIONS**

BUSINESS ETHICS AND CORPORATE GOVERNANCE

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Managerial Hegemony Theory suggests that: a) Shareholders have complete control over corporate decisions b) External regulators control corporate governance practices c) Managers dominate the decision-making process, often at the expense of other stakeholders d) Employees have the ultimate say in corporate governance	K1	CO1
	2	Stewardship Theory differs from Agency Theory most significantly in which regard? a) Belief in intrinsic motivation and trust in managers b) Emphasis on external audits c) Exclusion of stakeholders d) Focus on profit maximization	K2	CO1
2	3	The primary role of the board of directors in corporate governance is to: a) Manage daily business operations b) Ensure strategic oversight and protect shareholders' interests c) Handle marketing activities d) Oversee employee recruitment processes	K1	CO2
	4	Which regulatory body is primarily responsible for prohibiting insider trading in India? a) Reserve Bank of India (RBI) b) Ministry of Finance c) Securities and Exchange Board of India (SEBI) d) Indian Stock Exchange	K2	CO2
3	5	An effective corporate governance system aims to: a) Maximize short-term profits at all costs b) Limit information disclosure to shareholders c) Reduce the role of independent directors d) Promote responsible management, protect stakeholder interests, and ensure sustainability	K1	CO3
	6	OECD Principles of Corporate Governance emphasize: a) Shareholder rights, transparency, and board responsibilities b) Only environmental sustainability c) Government ownership of companies d) Limiting shareholder participation	K2	CO3
4	7	The SEBI LODR Regulations, 2015, require listed companies to: a) Publish quarterly financial results b) Limit the number of directors on the board c) Avoid disclosures on related-party transactions d) Reduce the frequency of financial disclosures	K1	CO4
	8	The King Committee on Corporate Governance originated in: a) United States b) United Kingdom c) South Africa d) India	K2	CO4

Cont...

5	9	Which statement best defines business ethics? a) The set of principles, values, and standards guiding human conduct in the business world, beyond legal compliance b) Rules made solely by government for controlling business economics c) Technical knowledge for maximizing profits only d) Marketing strategies for customer acquisition	K1	CO5
	10	Discrimination in the workplace violates which business ethical principle? a) Efficiency b) Fairness and equality c) Profit maximization d) Market leadership	K2	CO5

SECTION B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11. a.	Explain the art of governance as per Kautilya's Arthashastra and its relevance to modern corporate governance practices.	K2	CO1
		(OR)		
	11.b.	Discuss the essential principles of corporate governance.		
2	12. a.	Sketch a diagrammatic representation of board structure and its functions.	K3	CO2
		(OR)		
	12.b.	Identify the important factors that contribute to class action suits in corporate governance.		
3	13. a.	Point out the OECD Principles of Corporate Governance and their global relevance.	K4	CO3
		(OR)		
	13.b.	Illustrate the significance of the Sarbanes-Oxley Act (SOX 2002) in corporate governance practices in the USA.		
4	14. a.	Explain the contributions of the CII Task Force Committee in shaping Indian corporate governance.	K6	CO4
		(OR)		
	14.b.	Interpret the implications of the Sarbanes-Oxley Act (2002) for Indian companies listed on international exchanges.		
5	15. a.	Evaluate the objectives of implementing business ethics within organizations.	K5	CO5
		(OR)		
	15.b.	Interpret the significance of digital ethics for modern businesses.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Interpret the significance of Environmental, Social, and Governance (ESG) criteria in enhancing corporate governance.	K2	CO1
2	17	Explore the concept of Gandhian trusteeship and its relevance to modern corporate governance practices.	K4	CO2
3	18	Examine the causes of major corporate failures in India and abroad, including Enron, World.Com, and Satyam.	K4	CO3
4	19	Explain the strengths and weaknesses of the corporate governance models in India compared to Anglo-American, German, and Japanese models.	K5	CO4
5	20	Assess the arguments supporting and opposing business ethics, and illustrate each perspective with example.	K5	CO5