

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, 2020

Programme : MBA General/Core
Course: Business Ethics & Corporate Governance
Course Code : HRES8001
Instructions: Attempt all sections

Semester: IV
Max. Marks : 100
Time: 03 Hours

SECTION A

Q.1.	Multiple choice questions	Marks	CO
	<p>i. The _____ dimension of social responsibility refers to a business's societal contribution of time, money, and other resources.</p> <ul style="list-style-type: none">a) Ethicalb) Philanthropicc) Volunteerismd) Strategic <p>ii. A stakeholder orientation includes all of the following activities except:</p> <ul style="list-style-type: none">a) generating data about stakeholder groupsb) assessing the firm's effects on stakeholder groupsc) distributing stakeholder information throughout the firmd) minimizing the influence of stakeholder information on the firm <p>iii. Stakeholders are considered more important to an organization when:</p> <ul style="list-style-type: none">a) they can make use of their power on the organizationb) they do not emphasize the urgency of their issuesc) their issues are not legitimated) they can express themselves articulately <p>iv. A (n) _____ is a problem, situation, or opportunity requiring an individual, group, or organization to choose among several actions that must be evaluated as right or wrong.</p> <ul style="list-style-type: none">a) Crisisb) ethical issuec) indictmentd) fraud <p>v. What type of justice exists if employees are being open, honest, and truthful in their communications at work?</p>	5X6=30	CO

	a) Procedural b) Distributive c) Ethical d) Interactional		
SECTION B			
	Write Short answers	Marks 10X5= 50	CO
Q2.	Explain different ethical issues in the management of intellectual property rights. Also suggest remedies	10	CO2
Q3	Explain relation between ethics , law and corporate governance	10	CO2
Q4	What do you understand by Leveraged Buyouts? Explain legal and ethical issues involved in buyouts	10	CO3
Q5	Is surrogate advertising Ethical and Legal? Extend your views for and against surrogate advertising.	10	CO3
Q6	“Offensive tactics are becoming rampant in business operation”. Discuss the statement while citing ethical issues and its solutions related with offensive tactics	10	CO3
Section -C case based questions			
	Wells Fargo was the darling of the banking industry, with some of the highest returns on equity in the sector and a soaring stock price. Top management touted the company’s lead in “cross-selling”: the sale of additional products to existing customers. “Eight is great,” as in eight Wells Fargo products for every customer, was CEO John Stumpf’s mantra. In September 2016, Wells Fargo announced that it was paying \$185 million in fines for the creation of over 2 million unauthorized customer accounts. It soon came to light that the pressure on employees to hit sales quotas was immense: hourly		

	<p>tracking, pressure from supervisors to engage in unethical behavior, and a compensation system based heavily on bonuses.</p> <p>Wells Fargo also confirmed that it had fired over 5,300 employees over the past few years related to shady sales practices. CEO John Stumpf claimed that the scandal was the result of a few bad apples who did not honor the company's values and that there were no incentives to commit unethical behavior. The board initially stood behind the CEO but soon after received his resignation and "clawed back" millions of dollars in his compensation.</p> <p>Further reporting found more troubling information. Many employees had quit under the immense pressure to engage in unethical sales practices, and some were even fired for reporting misconduct through the company's ethics hotline. Senior leadership was aware of these aggressive sales practices as far back as 2004, with incidents as far back as 2002 identified.</p> <p>The Board of Directors commissioned an independent investigation that identified cultural, structural, and leadership issues as root causes of the improper sales practices. The report cites: the wayward sales culture and performance management system; the decentralized corporate structure that gave too much autonomy to the division's leaders; and the unwillingness of leadership to evaluate the sales model, given its longtime success for the company.</p>		
Q7.	What should business leaders take away from this scandal?	10	CO4
Q8.	What could Wells Fargo have done differently to avert this cultural meltdown?	10	CO4