

MCO1716/ PHD19030	BUSINESS ETHICS AND CORPORATE GOVERNANCE (INTERNAL)	L	T	P	C
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COURSE RATIONALE

Today's hyper competitive business environment creates tremendous pressure on managers to improve performance of their organizations. Many times such pressures results in managers engaging in unethical practices. Hence, ethics and corporate governance has come to occupy an important place in Management theory and practices. Corporate governance is the way a corporation polices itself. In short, it is a method of governing the company like a sovereign state, instating its own customs, policies and laws to its employees from the highest to the lowest levels. Corporate governance is intended to increase the accountability of your company and to avoid massive disasters before they occur. The course is aimed at providing fundamental knowledge and concepts relating to business ethics and corporate governance.

LEARNING OUTCOMES

The students will be able to

- Explain why the quality of corporate governance is relevant to capital formation;
- Discuss the moral and social responsibility dimensions of corporate governance;
- Describe why systematic failure of corporate governance can lead to failure of confidence that could spread from individual firms to entire markets or economies
- Discuss and evaluate the various corporate governance models from across the globe.
- Critically evaluate and analyze the significance and importance of corporate governance and social responsibility in the light of contemporary global business, culture, and social developments

UNIT I-INTRODUCTION TO CORPORATE GOVERNANCE

Evolution of Corporate Governance - Meaning of Corporate Governance; Corporate Governance systems; Obligations to stakeholders; Principles of corporate governance; History of Corporate Governance; Theory of the firm;

Corporate Governance Models: The Anglo-Saxon Model- Regulatory framework on corporate governance in India; The Japanese Model of Corporate Governance, Key Players in the Japanese Model; German model of corporate governance.

UNIT II-BUSINESS ETHICS AND CORPORATE GOVERNANCE

Business Ethics & Corporate Governance: What is Business Ethics; Roots of Unethical Behavior; Business Ethics and Social Responsibility; The Role Of Ethics in Business; Ethical Theories; Ethical Issues, Making Decisions About Ethical Issues; improving Ethical Behavior in Business; The Nature of Social Responsibility; Social Responsibility Issues; How Corporate Observe Ethics In their Organizations; Corporate Governance Ethics; Characteristics of an Ethical Organization;

UNIT III-ROLE OF BOD AND RIGHTS AND PRIVILIGES OF SHAREHOLDERS

Board of Directors: Corporate Management Structure; Kinds of Directors; Directors Appointment; Effectiveness of the Board of Directors; Duties and Responsibilities of Directors; Qualification and Disqualification of Directors; Liabilities of Directors; Role of Directors; **Rights & Privileges of Shareholders:** Recommendations relating to shareholders; Responsibilities of Shareholders; Guidelines for Investors/Shareholder; Trading of Securities;

UNIT IV-AUDITING AND INVESTOR PROTECTION

Investor's Problems and Protection: Definition of Investor Protection; How do Insiders Steal Investors Funds?; Impact of Investor Protection; Investor protection in India; SEBI's Poor Performance; **Roles, Duties, & Responsibilities of Auditors:** Role of Auditors; Defining Audit; Objectives of an Audit; Types of Audit; Defining Auditor; Types of Auditors; Duties of an Auditor; Responsibilities of an Audit Firm; Case Study

UNIT V-CORPORATE SOCIAL RESPONSIBILITY AND ROLE OF GOVERNMENT IN CORPORATE GOVERNANCE

Corporate Social Responsibility: Definition & Drivers of CSR; The Scope of Social Responsibility; Social Responsibility and Indian Corporations; CSR and Environmental Protection; **Role of Government in Corporate Governance:** Government Interference in Market Economies; Different Roles of Government in the Economy; Forms of Government Regulation; The Scope of Government's Relations with Business;

TEXTBOOK

- Fernando, A.C. (2011). *Corporate Governance: Principles, Policies and Practices*. Pearson Education.
- *E-compilation materials (Supplementary materials)*

REFERENCES

- A.C Fernando(2012). *Business Ethics and Corporate Governance*. Pearson Education.
- V. Balachandran, V. Chandraasekaran.(2011). *Corporate Governance, Ethics and Social Responsibility*. PHIndia
- Sharma, J.P, *Corporate Governance and Social Responsibility of Business*, Ane Books Pvt. Ltd, New Delhi.