

RS-25

BE 14

III

University of Mumbai
Jamnalal Bajaj Institute of Management Studies
MMM/MIM/MHRDM – SEM VI

Business Ethics

Date: 21/04/2014 time: 2.30 hr . Marks: 60

N.B:

- 1) QUESTION NO.1 COMPULSORY IS OF 20 MARKS.
- 2) ANSWER ANY FOUR FROM QUESTION 2 TO 7
- 3) QUESTION NO. 2 TO 7 CARRY 10 MARKS EACH.

O/c

✓ Q.1 case study:

The boss of an international firm in India orders supply of ten tanks wagon of white oil (used in dry cleaning process), to be delivered to one of the major distributors of the firm. Usually, the distributor was getting one wagon in two months. This high demand came up because the boss came to know that the white oil can be mixed to the extent of up to 50% in petrol and the cars would run smoothly for at least three years, when some engine damage could occur. The boss argued with his concise that three years is long period enough, and cars mostly go bad in this period anyhow. On the financial side this distributor would make rupee hundred thousand per wagon and he was agreeable giving the boss thirty thousand per wagon. It would amount to three hundred thousand per month and in the next four years, the boss would be having enough money to retire in peace. All went well till some wise guy, the bosses' junior, started prying into the deal and in less than three months the boss who was to take over as a top boss in the country was given the sack. It was his good luck that he was not handed over to police.

Answer the following questions:

- A. The junior who disclosed the fraud risked his job. Was it right thing to do? Justify. (10)
- B. Others juniors also had come to know about it and some had in fact abetted in the crime. (10)
How should the firm treat them?

Or

Analyse the case-

A new entrant in business wanted to expand his business at a jet speed and was willing to take risks for the same. After he got into the groove and his firm was listed on stock market, he started a unique method of jacking up his share value artificially. There is no restriction on export price as long as the overseas customer is happy with it. This person started exporting to far- east places like Singapore. His modus operandi is given below:
For a product selling in India say, Rs. 10 he would quote a price of Rs. 500. The dispatch would be made to a friend of his in Singapore, who would honour LC with the money sent by the exporter's friend through Hawala transaction. The firm in India would have a quantum jump in turnover. This would jack up the share value of a firm. (Ten rupee share would sell at fifty rupee). At this point the owner of the firm would discreetly sell just few of his shares and recover the money sent to Singapore through Hawala channel. With this cycle of increasing turnover, resulting in increased share value, selling of small number of shares, which by now have become

blue chips, the owner would have a snow balling effect on his financial position. without his investing anything except the initial money sent to Singapore.. By the time law catches on him, he made a good deal of money.

- Q.2 Justify the statement. ethics stands as a moral guard against what is just and unfair in business.
- Q.3 What do you understand by professional ethics? How professional ethics is different than individual ethics in business?
- ✓ Q.4 Understanding the dimensions and damaging potential of environmental pollution by the firms identify the areas of environmental pollution and ethical issues involves in it.
- ✓ Q.5 What is intellectual property? Why is protection of IP right is gaining attention in business arena? What are the ethical issues involved in ipr violation?
- ✓ Q.6 Gandhian trusteeship can co-exist with capitalism and individual rights". Debate this statement in the context of Gandhian trusteeship concept and 'business for profit alone'.
- Q.7 Short notes (any two)
 - a. Insider trading
 - ✓ b. Whistle blowing
 - ✓ c. Role of regulators in free economy
 - d. Social audit