



**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**PROGRAMME NAME: Post Graduate Diploma in Management**  
**Corporate Governance & Business Ethics (ST 607)**  
**CREDIT: 2 credits**  
**SESSION DURATION: 60 Minutes**

**TERM: IV**  
**ACADEMIC YEAR: 2020-21**  
**BATCH: PGDM ( 2019-21)**

Faculty: **Dr. Arun Kumar Rath**

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Chamber Consultation Hrs : 1100-1200 Hrs on class days

### **Course Introduction:**

Good governance, ethical practices and social responsibility are emerging as cornerstones of corporate strategy. Governments, investors and regulatory institutions are concerned about the failures of high profile corporations which cause distress to innumerable shareholders and employees. With the globalization of business, corporate governance, a term virtually unknown earlier, has now become a mainstream topic. Many countries are adopting new legal and ethical standards to enhance levels of accountability of top management and business executives .

Corporate governance deals with the accountability of management to the shareholders and other stakeholders , fiduciaries duties of directors, disclosure of adequate information, audit of financial transactions, ethical practices by the managers and above all, responsibility of the corporation to the society and environment. There is an increasing demand from the stakeholders for adoption of ethical and responsible corporate governance practices.

The objective of this course is to familiarize the students about the fundamental principles of corporate governance and business ethics in the following manner :

- To provide the rationale of good corporate governance and ethics.
- To analyze the impact of corporate failures and reform initiatives.
- To present framework of corporate governance
- To understand elements of good corporate governance
- To analyze the implications of ethics and values
- To underscore the accountability of Directors, Executives and Managers
- To analyse ethical issues of corporate governance

### **Learning Outcomes**

- To understand the rationale of corporate governance & business ethics LO1
- To understand corporation, corporate governance & business ethics LO2
- To analyze corporate failures and develop reforms initiatives LO3
- To sensitize students on framework of corporate governance LO4
- To examine cases of corporations in crisis & corporate sustainability LO5
- To examine cases of ethical dilemmas & draw ethical action plans LO6
- To examine issues of corporate governance in India LO7

### **Pedagogy:**

The course will be taught using a combination of readings, lectures , case analysis , discussion and assignments.

### **Course Readings**

#### **Book:**

1. Towards Better Corporate Governance: Independent Directors in the Boardroom  
by Arun K Rath, Excel Books

#### **Additional readings :**

1. Monk, Robert A.G., and Minow, Nell (2004), *Corporate Governance*, Blackwell Publishing
2. Tricker , Bob, *Corporate Governance* ,Oxford University Press
3. Crane Andrew & Matten Dirk (2011), *Business Ethics*, Oxford University Press
4. Daniel Albuquerque ( 2010) ,*Business Ethics* ,Oxford University Press,

5. Good Ethics is Also Good Business –Article by Dominique Mele ( New York Times/Economic Times Jan 3,2012)
6. Institute of Company Secretaries of India (ICSI) (2010) , *Corporate Governance – Modules and Best Practices*
7. Lalita S Som, (Sept. 30, 2006), Corporate Governance Codes in India, Economic and political Weekly.
8. OECD, Corporate Governance Guidelines (2004)
9. SEBI Listing Obligations & Disclosure Requirements Regulations 2015
10. Emerging Role of Independent Directors in Boardroom by Arun K Rath (*Published in edited book 'Corporate Governance in Asia', Allied Publishers,2011*)

#### Course Evaluation criteria

S.No.	Component	Weightage
1	Group Assignment Report@	10%
2	Group Assignment Presentation@@	10%
3	Class Participation *	10%
4	Quiz 1&2 **	20%
5	Mid Term Examination	20%
6	End Term Examination	30%

@ The group of students will submit the group report before the date fixed for presentation

@@Individual members of the group will present in sequence for individual evaluation.

\*Class Participation : Students will be evaluated on their conduct and meaningful participation in class discussions/tasks

\*\*Quizzes : There will be two quizzes based upon understanding of the concepts dealt with in the class.

#### Evaluation Criteria & Learning Outcomes

S.No.	Component	Learning Outcomes

1	Group Assignment Report	LO3 LO4 LO7
2	Group Assignment Presentation	LO5 LO6 LO7
3	Class Participation	LO2 LO3 LO4 LO5 LO6 LO7
4	Quiz 1&2	LO2 LO3 LO4 LO5 LO6 LO7
5	Mid Term Examination	LO2 LO3 LO4
6	End Term Examination	LO4 LO5 LO6 LO7

### Plagiarism

We are committed to upholding the highest standards of academic integrity and honesty. Plagiarism is the use of or presentation of ideas, works that are not one's own and which are not common knowledge, without granting credit to the originator. You may refer the already available content just for your reference and to get the basic ideas. Only 20% of such content is acceptable, above that comes under the definition of Plagiarism which is unacceptable in IMI and will be treated seriously. All such cases will be referred to the appropriate body of the Institute for suitable disciplinary action.

### Session Plan and Suggested Readings

Session	Topic	Learning objectives	Reference
1&2	<u>Concept of Corporation</u> -Contribution of Corporations to Economy -Characteristics of A Corporation -Defining Corporate Governance - Shareholders & Stakeholders	L01 L02	Book: Towards Better Corporate Governance (TBCG) - Arun K Rath
3&4	<u>Board of Directors</u> - Composition & Functions of Board -Role of Chairman & Directors - Independent Directors -Corporate Vision & Mission -Boardroom Dynamics -Separation of Chairman & CEO	L01 L02	Book TBCG &Reading Material
5&6	<u>Corporate Scandals &amp; CG Reforms</u> -Maxwell Communications Scandal -Cadbury code		Book TBCG &Reading Material

	G1-Fall of Enron : To analyse Causes, Consequences & Reforms of the Enron scandal	L03 L05	G1-Case- Fall of Enron by Paul Harley & Krishna Palepu
7&8	-Discussion on US Corporate Governance Reforms -US Reforms Framework : SOX Act  G2-Corporate Governance Failure at Satyam : To analyse Causes, Consequences & Reforms  -Corporate Governance Reforms in India	L03 L05	G2-Case- Governance Failure at Satyam – by Gaur & Kohli- Richard Ivey School of Business
9&10	<u>Ethics &amp; Values in Corporate Governance</u> G3- The Volkswagen Emission Test Scandal - Causes, Consequences & Lessons  G4-Lessons in Corporate Work Culture : Case of DMRC  -Discussion on corporate ethics & values	L02 L04	G3- The Volkswagen Emissions Scandal by Luann J. Lynch Cameron Cutro & Elizabeth Bird  G4-Case-“Delhi Metro Rail Corporation” – by V G Narayanan & Saloni Chaturvedi
11&12	<u>Towards Better Corporate Governance</u> -Separation of Ownership and Control -Agency & Stewardship Theories Global CG codes-OECD Code <u>CG Framework in India</u> -SEBI Listing Obligations & Disclosure Requirements 2015	L02 L04	Book TBCG & Reading material  SEBI LODR 2015
13&14	<u>Understanding Business Ethics</u> Ethics in corporate governance: Ethics vrs Law Ethical Dilemma  G5-Challenges of Ethical Dilemma  <i>-Discussion on Individual vrs Group Ethics</i>	L02 L04	G5-Reading Material -The Parable of the Sadhu-Case Study Bowen H.McCoy
15&16	G6-To analyse role of ethics at workplace-Issues & Challenges	L02 L06	G6-Reading Material -Why do ethical people make unethical choices ? - Corporate Ethics Can't Be Reduced to Compliance

	G7- To propose Action Plan for Ethical Conduct by Corporate Executives		G7-Reading Material -What can you do to improve ethics at your company? - Being an Ethical Business in a Corrupt Environment
17&18	<u>The Global Corporate Citizen</u> -UN Sustainable Development Goals : Role of Corporate Governance <u>Corporate Governance Challenges in India</u> G8-Governance Crisis in Tata Sons: Causes Consequences & Lessons	L05 L06 L07	G8-Tata Sons Chairman Cyrus Mistry's Email To Board Directors Of Holding Co 26 Oct 2016 -Statement from Tata Sons 10 Nov 2016
19&20	G9-Governance Crisis in Infosys : Causes Consequences & Lessons  G10-Do Independent Directors contribute towards better corporate governance ?  <i>-Corporate Governance Challenges in India</i> <i>-Agenda for Corporate Governance Reforms</i>	L07	G9-Narayan Murthy's Address to Shareholders Aug 29, 2017 -How Independent are independent directors? (Business Standard article March 2017) G10-Emerging Role of Independent Directors in the Boardroom by Arun K Rath <i>(Published in edited book 'Corporate Governance in Asia', Allied Publishers,2011)</i>