



INTERNATIONAL MANAGEMENT INSTITUTE
BHUBANESWAR

Post Graduate Diploma in Management
Corporate Governance & Business Ethics (ST607)
2 Credit Course
Session Duration: 60/120 minutes

Term – V
2020-22
Batch-II

Course Outline and Session Plan

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COURSE INTRODUCTION

In recent times, corporate governance has received increased attention because of high-profile scandals involving abuse of corporate power and unscrupulous activities by many corporates around the world. With the globalization and privatization of businesses, the term corporate governance, not much discussed earlier, has now acquired the centre stage. Every country is adopting new standards to enhance ethics and accountability of business corporations. Corporate governance encompasses the accountability of management of the company to the shareholders, fiduciaries duties of directors, disclosure of strategic information regarding the company, audit of transactions, ethical practices by the corporate managers and above all, responsibility to the society. The board of directors plays a key role in ensuring the alignment of corporate governance with the business objectives. This course will enable the students to understand the basic principles of corporate governance and responsible business through interactive and participative sessions in order to prepare them as responsible managers.

Course Objective

The course intends to build up and strengthen the understanding of management students about applied business ethics and corporate governance. The syllabus aptly includes modules on basic understanding of business ethics, underlying principles on ethics, and ethical issues with respect to various functional areas in organizations. It also covers in detail corporate governance issues in organizations and discusses in detail various theories, codes and laws in corporate governance in India and elsewhere.

LEARNING OUTCOMES (LOs)

After going through the course, the students would be able to:

Course Outcomes	Description
LO1 Subject Knowledge	Learn the fundamentals of corporate governance and ethical business. Understand and define elements of good corporate governance and role of corporate executives in bringing business sustainability.
LO2 Concept Application	Get acquainted with corporate governance by linking it to real problems faced by corporations. Also facilitate critical thinking for arriving at appropriate decisions through case studies and research findings.
LO3 Strategic Application	Apply the learnings and techniques acquired during the course while solving real business scenarios.
LO4 Communication	To convey effectively to various stakeholders about corporate governance strategies and response mechanisms towards various governance problems faced by the firm.
LO5 Responsible Business	Understand concepts of corporation, corporate governance and duties of corporate directors and managers. Build capacity to apply the knowledge acquired to practical situations.

COURSE PEDAGOGY

This course will require the student to read books, articles, case studies and perform literature search. Sessions would be interactive where attempt will be made to understand the theories and concepts through discussion of the readings and their application in cases. Hence a high degree of preparation is expected from the student. Readings, and case analysis will be required to effectively participate in class and make impromptu or scheduled presentations of issues and learnings. Besides the readings, groups of students will have to work on a research project to investigate and validate some of the key learnings in a real world situation.

COURSE READINGS

Textbook

- Shikha, N. and Sharma, G. (2018), *Corporate Governance in India: Principles and Policies*, Cengage Publications (TB1)
- Business Ethics: Concepts and Cases by Manuel G Velasquez, Pearson, Latest edition (TB2)

Reference Books

- Business Ethics: A Stakeholder and Issues Management Approach by Joseph W. Weiss, Thomson: South – Western.
- Business Ethics: An Indian Perspective, A.C. Fernando, Pearson Education.
- Business Ethics, R. T. DeGeorge, Pearson Education.
- Monk, Robert A.G., and Minow, Nell (2004), *Corporate Governance*, Blackwell Publishing
- Tricker , Bob (2012),*Corporate Governance Principles ,Policies and Practices* , Oxford University Press
- Crane Andrew & Dirk Matten (2010), *Business Ethics* ,Oxford University Press

- Solomon, Jill and Solomon, Aris (March 2004), *Corporate Governance and Accountability*

Journals:

- Harvard Business Review
- California Management Review
- Academy of Management Journal
- Journal of Business Ethics
- Business and Society

Daily/Periodical:

- Economic Times
- Business Standard
- The Economist

Online e-resources:

There are many websites that have interesting information and analysis pertaining to Business Ethics and Corporate Governance. Company’s websites, online university repositories like that of Stanford (<https://www.gsb.stanford.edu/faculty-research/centers-initiatives/cgri>), corporate governance data in Bloomberg and Prowess databases, etc. have rich information for building up students’ knowledge. Students must go through these resources and come prepared to the class for discussion.

EVALUATION CRITERIA

The evaluation for the course will have various components like Quizzes, Group Term Project Report and Presentation, End-term and Mid-term examinations, Role Play and class participation. The final grade will be calculated based on following:

Sl. No.	Components	Weightage
1	Project Presentation in Groups & Report Submission*	30%
2	Class Participation**	10%
3	Quiz	20%
4	Mid Term & End Term	40%
	Total	100%

*Group Project: Each group is expected to work on the term project allocated by the instructor. Project evaluation will be based on the presentation and report submitted by the group.

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

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: CORPORATE GOVERNANCE & BUSINESS ETHICS

Session No.	Topics	Readings/Cases	Learning Outcomes
1-3	<p>Understanding Corporations and Corporate Governance</p> <ul style="list-style-type: none"> • Concept of Corporations • Defining Corporate Governance <p>Theories and Models of Corporate Governance</p> <ul style="list-style-type: none"> • Agency Theory, Stewardship Theory, Stakeholder Theory, Resource Dependency Theory, Transaction Cost Theory, Political Theory • Anglo-Saxon model, Continental Model, Japanese Model, Indian Model • Global Codes of Corporate Governance 	TB1: Chapters 1 & 2 SEBI LODR 2015	LO1, LO2
4-6	<ul style="list-style-type: none"> • Corporate Governance Reforms • SEBI Guidelines • Board of Directors <ul style="list-style-type: none"> - Composition & Functions of Board of Directors - Role of Chairman & Directors - Independent Directors in the Boardroom - Separation of posts of Chairman & CEO • Corporate Governance Challenges 	TB1: Chapters 3 & 4 TB1: Chapter 8 Case1: “Ratan Tata or Cyrus Mistry? Tata Steel Shareholders’ Dilemma” – Pitabas Mohanty and Supriti Mishra, Ivey Publications	LO2, LO3, LO4, LO5
7-8	<p>Ethics and Business</p> <ul style="list-style-type: none"> • Ethical Principles in Business, • Fraud Triangle • Ethical Framework • Cross-Border Issues in Business • Integrating Ethics into Business 	TB1: Chapter 12 TB2: Chapters 1 & 2	LO2, LO3, LO4, LO5

9-10	<p>Ethics and Finance:</p> <ul style="list-style-type: none"> • Corporate Governance & Insider Trading 	<p>Case2: “Governance Failure at Satyam”– Gaur & Kohli, Ivey Publications</p>	<p>LO2, LO3, LO4, LO5</p>
11-13	<ul style="list-style-type: none"> • Ethics and Environment <ul style="list-style-type: none"> - Ethics of pollution control - Ethics of conserving depletable resources 	<p>TB2: Chapter 5</p> <p>Discussion of contemporary issues on environmental pollution</p>	<p>LO2, LO3, LO4, LO5</p>
14-16	<ul style="list-style-type: none"> • Ethics of Consumer Production and Marketing <ul style="list-style-type: none"> - Contact View - Due Care Theory - Manufacturer’s Duty 	<p>TB2: Chapter 6</p> <p>Case 3: Does Mattel’s Iconic Barbie Doll Need a Makeover?</p>	<p>LO2, LO3, LO4, LO5</p>
17-19	<ul style="list-style-type: none"> • Ethics in the Workplace <ul style="list-style-type: none"> - To analyze role of ethics at corporate workplace and identify the Issues & Challenges, - Job discrimination - Whistle Blowing, • To propose Action Plan for Ethical Conduct by Corporate Executives 	<p>TB2: Chapters 7 & 8</p> <p>Case 4: “Prashanti Technologies: A Workplace Romance Ethical Dilemma”- Addepalli, S., Ivey Publications</p>	<p>LO2, LO3, LO4, LO5</p>
20	Corporate Talk		<p>LO2, LO3, LO4, LO5</p>