

**D 131247****(Pages : 2)****Name.....****Reg. No.....****FIRST SEMESTER M.Com. (REGULAR/SUPPLEMENTARY) EXAMINATION  
NOVEMBER 2025****(CBCSS)****Master of Commerce****MCM 1C02—CORPORATE GOVERNANCE AND BUSINESS ETHICS****(2019 Admission onwards)****Time : Three Hours****Maximum : 30 Weightage***Answer should be written in English only.***Section A***Answer any **four** questions.**Each question carries 2 weightage.*

1. State the different forms of Shareholder Activism ?
2. Distinguish between Internal stakeholders and external stakeholders in a company.
3. What do you understand by the term 'class action suit' ?
4. Which are the components of IFRS ?
5. Which are the measures to manage diversity in the workplace ?
6. Which are the corporate practices for achieving and maintaining corporate excellence ?
7. What are the responsibilities of directors ?

**(4 × 2 = 8 weightage)****Section B***Answer any **four** questions.**Each question carries 3 weightage.*

8. What is the significance of corporate governance ?
9. Explain the scope of secretarial audit.
10. Explain the nature and role of National Company Law Tribunal.
11. What is the role of audit committee ?

**Turn over**

12. What are the responsibilities of board of directors in achieving effective corporate governance ?
13. What are the characteristics of knowledge workers ?
14. Which are the different categories of directors required in a company, under the listing agreement ?

(4 × 3 = 12 weightage)

### Section C

*Answer any two questions.*

*Each question carries 5 weightage.*

15. Elaborate on the concept, types and characteristics of Whistle blowing.
16. Bring out the nature and recommendations of International Level Committees on Corporate Governance.
17. Explain the theories of corporate governance.
18. Bring out the evolution of corporate governance in India.

(2 × 5 = 10 weightage)

**D 131247-A**

(Pages : 4)

Name.....

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**FIRST SEMESTER M.Com. (REGULAR/SUPPLEMENTARY) EXAMINATION  
NOVEMBER 2025**

(CBCSS)

Master of Commerce

MCM 1C02—CORPORATE GOVERNANCE AND BUSINESS ETHICS

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

**Time : 20 Minutes****Total No. of Questions : 20****Maximum : 5 Weightage****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## MCM 1C02—CORPORATE GOVERNANCE AND BUSINESS ETHICS

## (Multiple Choice Questions for SDE Candidates)

1. The framework for establishing good corporate governance and accountability was originally setup by :
  - (A) Nestle committee.
  - (B) Rowntree committee.
  - (C) Cadbury committee.
  - (D) Thornton committee.
2. A company may become insolvent if it :
  - (A) Makes a loss.
  - (B) Has negative working capital.
  - (C) Cannot meet its budgeted level of profit.
  - (D) Cannot pay creditors in full after realisation of its assets.
3. A director of a limited company may not be liable for wrongful trading if he or she :
  - (A) Increased the valuation of its inventories to cover any potential shortfall.
  - (B) Brought in some expected sales from next year in to the current year.
  - (C) Took every step to minimise the potential loss to creditors.
  - (D) Introduce into the balance sheet an asset based on a valuation of its brands sufficient to meet any shortfall.
4. According to clause 49 on independent directors. What can be maximum tenure of independent director ?
  - (A) 2 terms of 5 years each.
  - (B) 3 terms of 5 years each.
  - (C) 2 terms of 10 years each.
  - (D) 3 terms of 4 years each.
5. The primary stakeholders are :
  - (A) Customers.
  - (B) Suppliers.
  - (C) Shareholders.
  - (D) Creditors.
6. A \_\_\_\_\_ of an issue consists of weighing and balancing all of the competing demands on a firm by each of those who have a claim on it.
  - (A) Stakeholder analysis.
  - (B) Board of directors analysis.
  - (C) Corporation analysis.
  - (D) Management analysis.

7. Corporate governance can be defined as :
- (A) The system used by firms to control the actions of their employees.
  - (B) The election process used to vote in a new Board of Director.
  - (C) The corporate compliance system used by the firm.
  - (D) The system used by firms to identify who the critical stakeholders are for the firm.
8. What is the name of the process in which an employee informs another responsible employee in the company about potentially unethical behavior ?
- (A) Whistle-blowing.
  - (B) Purging and releasing.
  - (C) Identification.
  - (D) Information transfer.
9. One classic example of whistle-blowing is the :
- (A) Ford Pinto case.
  - (B) Lincoln case.
  - (C) Toyota case.
  - (D) None of the above.
10. What is meant by the phrase CSR ?
- (A) Corporate Social Responsibility.
  - (B) Company Social Responsibility.
  - (C) Corporate Society Responsibility.
  - (D) Company Society Responsibility.
11. What is the enlightened self-interest model of CSR ?
- (A) That it is in an organization's own best interest to put itself first rather than its ethics.
  - (B) That it is in an organization's best interest to consider what a shareholder would want.
  - (C) That it is in an organization's own best interest to act in an ethical way.
  - (D) That it is in an organization's own best interest to follow the legislation and abide by the law.
12. Which of the following would most effectively act as the primary objective of a business organisation ?
- (A) To make a profit.
  - (B) To procure resources.
  - (C) To communicate with shareholders.
  - (D) To mediate between the organisation and the environment.
13. Who are organisational stakeholders ?
- (A) Government.
  - (B) Employees.
  - (C) Customers.
  - (D) All of the above.

Turn over

14. Stakeholders are considered more important to an organization when :
- (A) They can make use of their power on the organization.
  - (B) They do not emphasize the urgency of their issues.
  - (C) Their issues are not legitimate.
  - (D) They can express themselves articulately.
15. What type of justice exists if employees are being open, honest, and truthful in their communications at work ?
- (A) Procedural.
  - (B) Distributive.
  - (C) Ethical.
  - (D) Interactional.
16. The social economy partnership philosophy emphasizes :
- (A) Co-operation and assistance.
  - (B) Profit maximization.
  - (C) Competition.
  - (D) Restricting resources and support.
17. Which of the following is NOT one of the primary elements of a strong organizational compliance program ?
- (A) A written code of conduct.
  - (B) An ethics officer.
  - (C) Significant financial expenditures.
  - (D) A formal ethics training program.
18. A director of a limited company may not be liable for wrongful trading if he or she :
- (A) Took every step to minimise the potential loss to creditors.
  - (B) Increased the valuation of its inventories to cover any potential shortfall.
  - (C) Introduced into the balance sheet an asset based on a valuation of its brands sufficient to meet any shortfall.
  - (D) Brought in some expected sales from next year into the current year.
19. The view that sees profit maximization as the main objective is known as :
- (A) Shareholder theory.
  - (B) Principal-agent problem.
  - (C) Stakeholder theory.
  - (D) Corporation theory.
20. Political intrusion into business :
- (A) May be desirable in some circumstances.
  - (B) Is anathema.
  - (C) Politics should have no say in how business is conducted.
  - (D) State legislation over-rides Federal Legislation.