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MANAGEMENT PROGRAMME

Term-End Examination

June, 2018

MS-495 : ETHICS AND CORPORATE GOVERNANCE IN BANKS

Time : 3 hours

Maximum Marks : 100

- Note :**
- (i) *There are two Sections, A and B.*
 - (ii) *Attempt any three questions from Section - A.*
 - (iii) *All questions carry equal marks.*
 - (iv) *Section - B is compulsory and carries 40 marks.*

SECTION - A

1. Examine the possible ethical dimensions arising in finance, personnel and marketing functions of the organisation citing examples.
2. Explain the basic principles of Corporate Governance and highlight governance challenges and issues in banking industry.
3. Explain different kinds of CSR guidelines applicable to banks and examine how far banks are fulfilling these guidelines.
4. Highlight the benefits of ethics, governance and CSR and explain how the three can be integrated into strategy.

5. Write short notes on any four of the following :
- (a) Triple Bottoms Line Reporting
 - (b) Task Related Values
 - (c) Forms of Business Organisation
 - (d) Sustainable Development
 - (e) Responsibility to Employees

SECTION - B

Read the following case and answer the questions given at the end.

6. **Case : CSR at Bank of India**

At Bank of India, corporate social responsibility is basically the care and concern for the deprived in particular and the community at large. Social responsibility is a function of the banking industry where by the Bank focuses on those below poverty line and the communities that qualify for schematic lending under the various government sponsored programs. The focus is on ensuring that they become self-sufficient and can achieve the desired goals to improve their living standards. The Bank has a policy of recruiting the blind and disabled and also has a committee to monitor and prevent any sexual harassment at the work place. Employees always volunteer to support NGOs in noble causes such as Eye donations/Blood donation camps.

The top management not only involves in such a cause but also actively supports it. Well known NGOs who have been on the scene for quite a number of years and doing services to the community over the years are supported in their cause. The programs are monitored by the zonal offices spread over 43 zones that ensure the end of the funds donated to the NGOs. The relationship with some of the NGOs is on a

continuous basis like that with the cancer foundation. The Bank is truly a bank of India, as the name indicates, with over 2600 branches and 43 zonal offices and has a good representation both in metro, urban and rural India. It is, therefore, natural that CSR should spread across state borders and is not limited to where the Bank is headquartered.

Business ethics and governance are separate issues. The money contributed towards CSR activities are monitored by the concerned zonal offices and the NGOs are asked to submit receipts and photographs justifying end use of funds. Employees have always contributed whenever there has been a major disaster by donating a day's wages, which along with the Bank's contribution, collectively works out to a few million rupees. Their employees are involved in a systematic monitoring of the activities for which the funds have been donated. The objective is to ensure that there is total involvement of both the management and the employees while the mission would be to succeed in making life better for poorest of the poor and the downtrodden.

As part of its centenary celebrations, the Bank of India has adopted 101 villages. Employees too are very considerate when it comes to serving a social cause and the Officers' association and the Unions have always been organising blood donation drives, adoption of village and free cancer detection camp.

Question :

Discuss the rationale behind the implementation of Corporate Social Responsibility at Bank of India. 20

7. Suppose that there is a promotion round within a business and the best person for the Job in accordance with the selection criteria is someone who is not well regarded by colleagues. Is it essential to appoint this person even though it will cause resentment within the group or should this be disregarded because it is better to disappoint one person and keep others happy ? Discuss the dilemma from ethics point of view. 20
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