C 82108

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Name..

Reg. No...

FOURTH SEMESTER M.B.A. DEGREE EXAMINATION, JUNE 2020

(CUCSS)

M.B.A.

BUS 4C 22—CORPORATE GOVERNANCE

(2016 Admission onwards)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.
Each question carries 1 weightage.

1. What is diffused ownership ?

2. What is meant by inside information ?

3. What is window dressing ?

4. Who are shadow directors ?

5. Name any two international NPOs.

6. State the relevance of director induction.

(6 × 1 = 6 weightage)

Part B

Answer any four questions.
Each question carries 3 weightage.

7. Brief the suggestions of Naresh Chandra Committee.

8. Trace the milestones of corporate governance in India.

9. Discuss the OECD principles.

10. What are the implications of overstating liabilities ?

11. What are the competencies that the directors should possess ?

12. What is the role of SEBI in imparting corporate governance ?

(4 × 3 = 12 weightage)

Turn over

Part C

Answer any **three** *questions.*
Each question carries 4 weightage.

13. Discuss the function of remuneration Committee.

14. Elaborate the Japaneese business network model.

15. Present the 'Seven Principles' of Public life.

16. Bring out the link between corporate governance and CSR

17. Critically evaluate any two incidents of whistle blowing in India.

(3 × 4 = 12 weightage)

Part D (Compulsory Question)

The question carries 6 weightage.

18. Indian banking system detected Rs. 71,500 crore worth of frauds in financial year 2018-19 which to put in scale is slightly more than the Rs. 71,000 crore recapitalisation package planned by the government to revive the health of its public-sector banks. Interestingly, over 90 percent of these losses were to the government owned banks while the share of incidents that emanated from these lenders was at 55.4 percent. Overall, 3,766 incidents of frauds were detected in FY19, a 15 percent spike from a year ago, while the losses incurred saw an 80 percent rise from the last year, even as FY18 saw the most infamous banking fraud in India's history where Nirav Modi siphoned off nearly Rs. 13,000 crores from Punjab National Bank in February 2018.

"In terms of area of operations, frauds related to advances constituted the preponderant share of the total amount involved in frauds in 2018-19, while the share of frauds in off-balance sheet items declined from a year ago," according to RBI's annual report released on Thursday. "Frauds relating to card/internet and deposits constituted only 0.3 per cent of the total value of frauds in 2018-19."Most of these frauds were because cheating and forgery, followed by misappropriation & criminal breach of trust, RBI said. Small frauds less than Rs.1 lakh were just 0.1 percent of the amounts involved. Another point of concern for regulators and policymakers came from the fact that it took banks an average of nearly 2 years to detect frauds. Large frauds above Rs. 100 crore took banks nearly four and a half years to detect, RBI said. Nearly Rs. 52,000 crore worth of frauds detected were classified as big frauds.

To curb this menace, the central bank said that it is in talks with various agencies including the Ministry of Corporate Affairs to create an interlinked database for fraud monitoring. In furtherance, the regulators said that analytic engines of banks and user interface of fraud registry would be improved to create a more robust monitoring system. The RBI, in the report, said that they also subjected 57 banks through IT examination to check their cyber security preparedness and compliances. "Targeted thematic examinations were also carried out, focusing on applications, infrastructure and systems used by the banks."

a) Identify the central problem presented in this case and the probable reasons.

b) Suggest measures to check the issue.

(1 × 6 = 6 weightage)