



<b>Semester: VI</b>				
<b>Course Title: Ethics and Corporate Governance</b>				
<b>Course Code: B3BC230611T</b>			<b>Credits: 4</b>	
<b>Classes/week: 4</b>			<b>Marks: 100</b>	
<b>Category: MINOR</b>				
<b>Theory/Practical/Composite: Theory</b>				
<b>No. of Modules: 6</b>				
<p><b>Course Overview:</b> This course introduces ethics and related concepts such as morality and values. It analyses the alternative approaches to ethical decision making based on various schools of ethical thought and apply ethical principles to resolving ethical dilemmas and in decision making in various functional areas of business. The course also dwells the allied areas of Corporate Social Responsibility (CSR) and Corporate Governance (CG) in terms of their underlying theoretical frameworks as well as statutory and regulatory aspects thereof as applicable in India.</p>				
<p><b>Course Outcome:</b> After completing this course students would be able to:</p>				
<p><b>CO1:</b> Explain foundational concepts related to morality, ethics, and values. Describe and differentiate among alternative theories of moral development and apply such theories to guide moral decision-making. Define business ethics and evaluate the arguments in favour of as well as the objections to business ethics.</p>				
<p><b>CO2:</b> Describe and compare various theories of ethics (approaches to moral decision-making), evaluate their strengths, weaknesses and argue for their appropriateness under different decision situations where questions of morality are involved, and use such theories to solve moral dilemmas.</p>				
<p><b>CO3:</b> Identify the areas of ethical challenge in the business functions of marketing, human resource management and finance. Apply principles and heuristics learned from competing theories of ethics to examine the aforementioned areas of ethical challenge and design organizational policies and procedures to ensure ethical behaviour in the identified business functions.</p>				
<p><b>CO4:</b> Describe and classify the stakeholders of a firm. Explain the significance of corporate social responsibility (CSR) to corporate strategic direction, organize a firm's economic, legal, ethical and philanthropic priorities, based Carroll's CSR Pyramid Model and list the key regulatory provisions in India regarding CSR activities and expenditure. Explain key concepts relating to sustainability and reporting thereof.</p>				
<p><b>CO5:</b> Define corporate governance (CG), distinguish governance from management and the contributing factors to corporate misconduct. Explain theories underlying CG and describe competing models of CG, and evaluate their applicability under varying circumstances, with special emphasis on Indian family-dominated business.</p>				
<p><b>CO6:</b> Explain key issues in CG related to board composition, composition and role of board committees, whistleblowing policies and mechanisms and identify the key regulatory provisions applicable to those issues.</p>				
<b>Prerequisites:</b> <i>None</i>				
<b>SYLLABUS</b>				
Unit/Module with topic name	Content	Number of Classes	CO Mapping	Cognitive Level
I. Foundations of Ethics	(a) Ethics – Meaning and Nature (b) Morality – Meaning, Moral Standards and Non-Moral Standards, Relationship between Morality and	12	CO1	K2 (Understand) K3 (Apply)



	Ethics, Theories of Moral Development: Lawrence Kohlberg's Stages of Moral Development, Carol Gilligan's Care Theory. <b>(c) Values</b> – Meaning, Instrumental v. Terminal values <b>(d) Business Ethics</b> – Meaning, Scope, Arguments for Business Ethics, Objections to Business Ethics			<b>K5</b> (Evaluate)
<b>II. Approaches to Ethical Decision-making</b>	<b>(a) Theories of Ethics:</b> Teleological v. Deontological approaches. Egoism, Utilitarianism, Kantian Ethics, Virtue Ethics, Ethics of Rights <b>(b) Ethics in Decision-making:</b> Nature and Characteristics of Ethical Dilemmas, Stages in resolving ethical dilemmas.	<b>12</b>	<b>CO2</b>	<b>K2</b> (Understand) <b>K3</b> (Apply) <b>K4</b> (Analyse) <b>K5</b> (Evaluate)
<b>III. Application of Ethics in Business Functions</b>	Application of ethical principles in various functional areas of business: Marketing, Human Resource Management & Finance.	<b>8</b>	<b>CO3</b>	<b>K1</b> (Remember) <b>K3</b> (Apply) <b>K6</b> (Create)
<b>IV. Corporate Social Responsibility (CSR)</b>	<b>(a) Stakeholder Theory of the Firm:</b> Concept of stakeholder, Internal and External Stakeholders of the firm. <b>(b) Corporate Social Responsibility:</b> Concept, Need and Significance, CSR and Corporate Strategy, Key Regulatory aspects of CSR in India (Overview), Archie Carroll's Pyramid of CSR <b>(c) Sustainability:</b> Meaning and scope, Triple Bottom Line, Integrated Reporting (Overview)	<b>10</b>	<b>CO4</b>	<b>K1</b> (Remember) <b>K2</b> (Understand) <b>K4</b> (Analyse)
<b>V. Corporate Governance</b>	<b>(a) Corporate Governance:</b> Concept and Definition, Governance v. Management, Corporate misconduct – contributing factors. <b>(b) Theories underlying Corporate Governance:</b> Agency Theory – Assumption, Conflicts, Agency Costs and Criticisms, Stewardship Theory, Stakeholder Theory – Assumptions and criticisms.	<b>18</b>	<b>CO5</b> <b>CO6</b>	<b>K1</b> (Remember) <b>K2</b> (Understand) <b>K5</b> (Evaluate)



	<p><b>(c) Models of Corporate Governance:</b>          Anglo-American Model, German Model, Japanese Model, CG Model suited for Family Business (Indian Model).</p> <p><b>(d) Major Issues in Corporate Governance:</b>  <i>(i) Board Composition</i> – Types of Boards, Role of Non-executive directors/Independent directors, Women Directors and Nominee Directors, Regulatory Requirements in India  <i>(ii) Board Committees (Overview)</i> – Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee.  <i>(iii) Whistleblowing Mechanism</i> – Concept of Whistleblowing, Types of whistle blowers, Benefits and Challenges of whistleblowing, Whistleblowing Policy.</p>			
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*Case studies are applicable to all units (I - VI).*

**Textbooks:**

1. Manuel G. Velasquez, Business Ethics: Concept and Cases, Seventh Edition, Pearson
2. A. C. Fernando, K. P. Muraleedharan, K. K. Shatheesh, Business Ethics – An Indian Perspective, Third Edition, Pearson
3. John R. Boatright & Bibhu Prasad Patra, Ethics and the Conduct of Business, 6th Edition (2011), Pearson Education India
4. Sandeep Goel, Corporate Governance: Theory and Practice, First Edition (2024), Wiley India Pvt. Ltd.

**Suggested readings**

**Books:**

1. Joseph A. Petrick & John F. Quinn, Management Ethics: Integrity at Work, Sage Series on Business Ethics, Sage Publications
2. O. C. Ferrell, John Fraedrich and Linda Ferrell, Business Ethics: Ethical Decision Making and Cases, 12<sup>th</sup> Edition (2022), Cengage
3. The Institute of Company Secretaries of India, Corporate Governance – From Compliance to Excellence (Handbook on Best Practices) Version 3.0, ICSI
4. Arindam Das, Routledge Studies in Corporate Governance, First Edition (2021), Taylor & Francis Ltd.
5. K. Viyyanna Rao & G. Naga Raju, Business Ethics and Corporate Governance, I.K. International Publishing House Pvt. Ltd.



6. S. S. Khanka, Business Ethics and Corporate Social Responsibility, S Chand & Company Pvt. Ltd.
7. Jyotsna G. B. & R. C. Joshi, Business Ethics and Corporate Governance, First Edition (2019), McGraw Hill
8. Dr. Tridib Sengupta, CMA Bivas Acharyya & Dr. Asish Kumar Pal, Business Ethics, Success Mantra Publications.
<b>Journal Articles:</b>
1. Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. Business horizons, 34(4), 39-48. <a href="https://www.academia.edu/download/66961771/0007-6813_2891_2990005-g20210504-32440-14h6rri.pdf">https://www.academia.edu/download/66961771/0007-6813_2891_2990005-g20210504-32440-14h6rri.pdf</a>
2. Kohlberg, L., & Hersh, R. H. (1977). Moral development: A review of the theory. Theory into practice, 16(2), 53-59. <a href="https://yoannbazin.com/wp-content/uploads/2018/11/kohlberg-hersh-1977.pdf">https://yoannbazin.com/wp-content/uploads/2018/11/kohlberg-hersh-1977.pdf</a>
3. Gilligan, C. (2014). Moral injury and the ethic of care: Reframing the conversation about differences. Journal of social philosophy, 45(1), 89-106. <a href="https://ems-curriculum.s3.us-east-2.amazonaws.com/master-course-supplementals/CHP625/1.+Moral+Injury+and+the+Ethic+of+Care.pdf">https://ems-curriculum.s3.us-east-2.amazonaws.com/master-course-supplementals/CHP625/1.+Moral+Injury+and+the+Ethic+of+Care.pdf</a>
<b>Web Resources</b>
1. <b>Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Last amended on September 20, 2023]</b> <a href="https://www.sebi.gov.in/legal/regulations/sep-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-september-20-2023-_77239.html">https://www.sebi.gov.in/legal/regulations/sep-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-september-20-2023-_77239.html</a>
2. <b>Ministry of Corporate Affairs (Companies Act, 2013)</b> <a href="http://mca.gov.in/content/mca/global/en/acts-rules/ebooks/acts.html?act=NTk2MQ==">mca.gov.in/content/mca/global/en/acts-rules/ebooks/acts.html?act=NTk2MQ==</a>
3. <b>NPTEL Course on Corporate Social Responsibility (by Prof. Aradhna Malik, IIT Kharagpur)</b> <a href="https://nptel.ac.in/courses/110105081">https://nptel.ac.in/courses/110105081</a>

### Course outcomes (COs) and Cognitive Level Mapping

COs	CO Description	Cognitive levels
CO1	Explain foundational concepts related to morality, ethics, and values. Describe and differentiate among alternative theories of moral development and apply such theories to guide moral decision-making. Define business ethics and evaluate the arguments in favour of as well as the objections to business ethics.	K2 (Understand), K3 (Apply), K5 (Evaluate)
CO2	Describe and compare various theories of ethics (approaches to moral decision-making), evaluate their strengths, weaknesses and argue for their appropriateness under different decision situations where questions of morality are involved, and use such theories to solve moral dilemmas.	K2 (Understand), K3 (Apply), K4 (Analyse), K5 (Evaluate)
CO3	Identify the areas of ethical challenge in the business functions of marketing, human resource management and finance. Apply principles and heuristics learned from competing theories of	K1 (Remember), K3 (Apply), K6 (Create)



	ethics to examine the aforementioned areas of ethical challenge and design organizational policies and procedures to ensure ethical behaviour in the identified business functions.	
<b>CO4</b>	Describe and classify the stakeholders of a firm. Explain the significance of corporate social responsibility (CSR) to corporate strategic direction, organize a firm's economic, legal, ethical and philanthropic priorities, based Carroll's CSR Pyramid Model and list the key regulatory provisions in India regarding CSR activities and expenditure. Explain key concepts relating to sustainability and reporting thereof.	<b>K1 (Remember), K2 (Understand), K4 (Analyse)</b>
<b>CO5</b>	Define corporate governance (CG), distinguish governance from management and the contributing factors to corporate misconduct. Explain theories underlying CG, describe competing models of CG, and evaluate their applicability under varying circumstances, with special emphasis on Indian family-dominated business.	<b>K1 (Remember), K2 (Understand), K5 (Evaluate)</b>
<b>CO6</b>	Explain key issues in CG related to board composition, composition and role of board committees, whistleblowing policies and mechanisms and identify the key regulatory provisions applicable to those issues.	<b>K1 (Remember), K2 (Understand)]</b>