



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal - 500 043, Hyderabad, Telangana

COURSE CONTENT

BUSINESS ETHICS AND CORPORATE GOVERNANCE								
II Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBE22	Elective	L	T	P	C	CIA	SEE	Total
		3	-	-	3	40	60	100
Contact Classes: 45	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 45			
Prerequisite: Basic concepts of ethics and management								
SDGs Mapped: SDG 16 (Peace, Justice and Strong Institutions), SDG 12 (Responsible Consumption & Production)								

I. COURSE OVERVIEW:

The course aims to develop an understanding of the underlying concepts of corporate governance, business ethics and CSR which are relevant to the contemporary business environment. It is designed to foster the understanding of the ethical influences on economic, financial, managerial, and environmental aspects of business. The course further aims to develop ability to critically analyse ethical issues in business. This course reviews different regulatory processes essential to the understanding of the principles of corporate governance.

II. COURSES OBJECTIVES:

The students will try to learn:

- I. **The ethical principles** and moral reasoning applied in business decisions, including major theories of ethics and professional responsibilities.
- II. **The** various business functions such as marketing, HRM, finance, media, and healthcare, and apply ethical frameworks to resolve them.
- III. **The** board roles, governance mechanisms, and accountability to stakeholders, with reference to national and global standards.
- IV. **The importance of Corporate Social Responsibility (CSR)** and evaluate CSR strategies as a tool for sustainable development and organizational competitiveness.

III. COURSE OUTCOMES:

At the end of the course students should be able to:

- CO1 Integrate the ethics of production, marketing, human resource management, finance, and accounting to be followed in professional life for the benefit of the organization.
- CO2 Narrate the ethics of media reporting and the ethics of healthcare services applicable to designing advertising for a product.
- CO3 Analyze the corporate governance system's failures and the corporate governance needs in India.
- CO4 Evaluate the theories of corporate governance and apply them in companies to solve the problems in business.
- CO5 Demonstrate the functions, structure, role, duties, and responsibilities of directors to follow in the organization.
- CO6 Integrate the ethics of production, marketing, human resource management, finance, and accounting to be followed in professional life for the benefit of the organization.

IV. COURSE CONTENT:

MODULE - I: BUSINESS ETHICS THE CHANGING ENVIRONMENT (08)

Business Ethics-introduction, Levels of Business Ethics-Five Myths about Business Ethics, stages of Moral development Kohlberg's study-carol Gilligan's Theory-Principles of Ethics.

MODULE - II: PROFESSIONAL ETHICS (10)

Introduction to Professional Ethics- Ethics in Production and Product Management-Ethics of Marketing Professionals-Ethics in HRM-Ethics of Finance and Accounting Professionals-Ethics of Advertisement-Ethics of Media Reporting-Ethics of Healthcare Services.

MODULE - III: CORPORATE GOVERNANCE (09)

Introduction to Corporate Governance - Major Corporate Governance Failures- Need for Corporate Governance - Corporate Governance in India.

Theories of Corporate Governance - Agency Theory, Stewardship Theory, and Stakeholder Theory –Convergence-Problems of Governance in Companies.

MODULE - IV: ROLE OF BOARD (10)

Functions of the Board, Structure of the Board, role of the board, Role, duties and responsibilities of Directors, Types of Directors, Board as a learning organization, Leveraging Good Governance for Competitive Advantage. Conflicts of Interest, Remedial Actions. Governance Ratings- Merits and Demerits.

MODULE - V: CORPORATE SOCIAL RESPONSIBILITY (08)

Definition, Models for Implementation of CSR, Scope of CSR, Steps to attain CSR, Core - BCSD India, Ethics and Social Responsibility of Business, Social Responsibility and Indian Corporations, CSR as a business strategy for sustainable development.

V. TEXTBOOKS:

1. Mulej, Matjaž, Grażyna O'Sullivan, and Tjaša Štrukelj, eds. "Social Responsibility and Corporate Governance", Palgrave Macmillan, 8thedition, 2021.
2. DA Silveira, Alexandre Di Miceli. "Corporate governance and ethical culture: Do boards matter" Review of Managerial Science, 4thedition, 2021.
3. Sateesh Kumar, "Corporate Governance", Oxford University Press, 3rdedition, 2015.
4. C. Fernando: "Business Ethics and Corporate Governance", Pearson, 2ndedition, 2018.
5. Christine A. Mallin, Corporate Governance, Oxford University Press, South Asia Edition, 4thedition, 2016.

VI. REFERENCE BOOKS:

1. Bob Tricker, Corporate Governance Principles, Policies and Practices, Oxford University Press, 2015.
2. Sateesh Kumar, "Corporate Governance", Oxford University Press, 2015.
3. N. Balasubramanian, Corporate Governance and Stewardship, TMH, 2012.
4. A. C. Fernando, Corporate Governance, Principles, Policies and Practices, Pearson, 2012.

VII. Web References:

1. ICSI and Taxmann Publication: "Corporate Governance".
2. A.C. Fernando: "Corporate Governance: Principles, Policies and Practices".
3. Inderjit Dube: "Corporate Governance".
4. Sanjiv Aggarwal: "Corporate Governance: Concepts and Dimensions".
5. P.V. Sharma and S. Rajani: "Corporate Governance: Contemporary Issues and Challenges".
6. John Caver: "Board Leadership".

VIII. E-Text Books:

1. <https://ddceutkal.ac.in/Syllabus/BECG-MBA.pdf>
2. <http://www.himpub.com/documents/Chapter2975.pdf>
3. http://ebooks.lpude.in/management/mba/term_3/DMGT301_DMGT503_CORPORATE_GOVERNANCE_AND_ETHICS.pdf

4. <https://www.elgaronline.com/view/9781849803717.xml>
5. <https://www.booktopia.com.au/business-ethics-corporate-governance-dynamics-in-zimbabwe-mufaro-gunduza/ebook/1230004366645.html>