

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -2 EXAMINATION- 2023

BBA-I Semester

COURSE CODE (CREDITS): 23BBWHS132 (4)

MAX. MARKS: 25

COURSE NAME: Ethics and Corporate Social Responsibility

COURSE INSTRUCTORS: Neena Jindal

MAX. TIME: 1 Hour 30 Minutes

Note: (a) All questions are compulsory.

(b) Marks are indicated against each question in square brackets.

(c) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

1. Who is a consumer? Explain the importance of consumer protection from the point of view of the consumer. Marks 5 (CO2)

2. What is meant by corporate social responsibility? How much should this responsibility dictate the role of the corporation? Are there any important factors to consider? How important is maximizing the return for the shareholders? Marks 5 (CO 2)

3. What ethical duties do employers have towards employees? Why is the right to privacy and security/safety, so difficult to balance in the world today? Explain? Marks 5 (CO3)

4. **Case Study: Read the case and answer the questions**

Enron is one of the most infamous examples of corporate fraud in U.S. history. The scandal that destroyed the company resulted in approximately \$60 billion in lost shareholder value. Sherron Watkins, an officer of the company, discovered the fraud and first went to her boss and mentor, founder and chairperson Ken Lay, to report the suspected accounting and financial irregularities. She was ignored more than once and eventually went to the press with her story. Because she did not go directly to the SEC, Watkins received no whistleblower protection. (The Sarbanes-Oxley Act was not passed until after the Enron scandal. In fact, it was Watkins's circumstance and Enron's misdeeds that helped convince Congress to pass the law. Now a respected national speaker on the topic of ethics and employees' responsibility, Watkins talks about how an employee should handle such situations. "When you're faced with something that really matters, if you're silent, you're starting on the wrong path . . . go against the crowd if need be," she said in a speech to the National Character and Leadership Symposium, (a seminar to instill leadership and moral qualities in young men and women).

Watkins talks openly about the risk of being an honest employee, something employees should consider when evaluating what they owe their company, the public, and themselves. "I will never have a job in corporate America again. The minute you speak truth to power and you're not heard, your career is never the same again."

Enron's corporate leaders dealt with the looming crisis by a combination of blaming others and leaving their employees to fend for themselves. According to Watkins, "Within two weeks of me finding this fraud, [Enron president] Jeff Skilling quit. We did feel like we were on a battleship, and things were not going well, and the captain had just taken a helicopter home. The fall of 2001 was just the bleakest time in my life, because everything I thought was secured was no longer secure."

Questions

- Did Watkins owe an ethical duty to Enron, to its shareholders, or to the investing public to go public with her suspicions? Explain your answer.
- How big a price is it fair to ask a whistle blowing employee to pay? (2*5) CO4