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P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution affiliated to VTU, Belgaum)

Second Semester - Master of Business Administration (MBA)

Semester End Examination; June - 2016

Work Place Ethics

Time: 3 hrs

Max. Marks: 100

Notes: Answer any **FOUR** full questions from **PART- A** and **PART – B** is compulsory.

PART - A

- 1 a. What is business ethics? Briefly explain the two major ethical issues faced in business today with suitable examples. 10
- b. Discuss the few primary sources of ethics. 10

OR

- 2 a. Is ethics necessary in business? Explain five myths of Business ethics. 10
- b. Write a detailed note on various factors that influence business ethics. 10
- 3 a. Briefly write a note on employee etiquettes. 10
- b. Write a note on Training in Ethics. 10

OR

- 4 a. Briefly explain the importance of corporate governance. 10
- b. What are the various unethically practices followed in H.R.M.? 10
- 5 a. Define codes of ethics. What is the general problems organizations face while building a value system? 10
- b. Write a note on unethical practices followed in marketing. 10

OR

- 6 a. Why do you think it is important for a corporate to be socially responsible? Explain few successful CSR initiatives with suitable examples in the Indian context. 10
- b. What are the measures to be taken by a country's corporate world and its government for developing an environment that fosters high growth rate in international trade? 10
7. Write short notes on: 20
- (a) Insider trading (b) Whistle blowing
- (c) Ethical hacking (d) ITES sector

OR

- 8 a. What are the important constituents of Bio-technology industry? Discuss some of the major ethical concerns of the BT sector. 10
- b. What is e-commerce? State its objectives and discuss the ethical issues associated with e-commerce. 10

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PART - B9. **CASE STUDY: (Compulsory)****GAS LEAK AT UCIL BHOPAL**

In the early morning hours of December 3, 1984, a poisonous grey cloud (forty tons of toxic gases) from Union Carbide India Limited (UCIL's), a subsidiary of the US based Union Carbide Corporation (UCC), pesticide plant at Bhopal spread throughout the city. Water carrying catalytic material had entered Methyl Isocyanate (MIC) storage tank No.610. What followed was a nightmare? The killer gas spread through the city, sending residents running through the dark streets. No alarm ever sounded a warning and no evacuation plan was prepared. When victims arrived at hospitals breathless and blind, doctors did not know how to treat them, as UCIL had not provided emergency information. It was only when the sun rose the next morning that the magnitude of the devastation was clear. Dead bodies of humans and animals blocked the streets, leaves turned black, and the smell of burning-chilli peppers lingered in the air. Estimates suggested that as many as 10,000 may have died -immediately and 30,000 to 50,000 were too ill to ever return to their jobs.

The catastrophe raised some serious ethical issues- The pesticide factory was built in the midst of densely populated settlements. UCIL chose to store and produce MIC, one of the most deadly chemicals (permitted exposure levels in the USA and Britain are 0.02 parts per million), in an area where nearly 120,000 people lived. The MIC plant was not designed to handle a runaway reaction. When the uncontrolled reaction started, MIC was flowing through the scrubber (meant to neutralise MIC emissions) at more than 200 times its designed capacity. MIC in the tank was filled to 87 percent of its capacity while the maximum permissible was 50 percent. MIC was not stored at zero degree centigrade as prescribed due to UCC's global economy drive.

Vital gauges and indicators in the MIC tank were defective. Other safety measures were not made available.

As part of UCC's drive to cut costs, the work force in the Bhopal factory was brought down by half from 1980 to 1984. This had serious consequences on safety and maintenance. The size of the work crew for the MIC plant was cut in half from twelve to six workers. The maintenance supervisor position had been eliminated and there was no maintenance supervisor. The period of safety-training to workers in the MIC plant was brought down from 6 months to 15 days.

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In addition to causing the Bhopal disaster, UCC was also guilty of prolonging the misery and suffering of the survivors. By withholding medical information on the chemicals, it deprived victims of proper medical care. By denying interim relief, as directed by two Indian courts, it caused a lot hardship to the survivors. In February 1989, the Supreme Court of India ruled that UCC should pay US \$ 470 million as compensation in full and final settlement. UCC said it would accept the ruling provided Government of India (GOI) did not pursue any further legal proceedings against the company and its officials. GOI accepted the offer without consulting with the victims.

Questions:

- a) What are the reasons for the fateful gas leak in UCIL plant in December 1984? 5
- b) After the fatal accident on 3rd December 1984, according to you what additional measures could have been taken to mitigate the sufferings and damages? 5
- c) Which are the ethical issues in this case? How UCIL was responsible for the tragedy? 5
- d) If you were head of UCIL plant at Bhopal in the 80's what actions would you propose for in the short range and in the long range? 5

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