

PGDM, 2018-2020

Responsible Business

Subject Code: IB 207

Trimester –II, End Term Examination: December 2018

Time allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Section A: Short Notes (15 marks): Attempt any 3

1. Do you believe there is merit in businesses (in India) aligning their CSR Goals and Programmes to the Sustainable Development Goals 2030? Explain.
2. Businesses contribute to the economic wellbeing of societies but not all business impacts are positive. With the help of Spheres of Influence Model, list some of the issues that may be the outcome of interactions between Business and society.
3. What is "not CSR" according to the Revisions in the Companies Act 2013, section 135?
4. Reporting by companies on Economic, Social and Governance parameters gives a holistic picture of Corporate Sustainability. Explain in light of the Global Reporting Initiative' Framework.
5. Underscore the role of Board of Directors in ensuring healthy Governance in a company. You may take an example where the Board may have failed in this duty.

Section B: Long Answer Questions (20 marks): Attempt any 2

1. Explaining and Comparing Shareholder, Stakeholder and Corporate Citizenship theories, give your views on whether you find one better than the other, why so? Or why not?
2. Business and Human Right abuses do not belong together. Take an example where it is proved otherwise. Giving details, list the violations.
3. i) What is meant by an implementing agency in the context of the CSR Act? What are the different kinds of "agencies" allowed by the Law? What is schedule VII? List the qualifying criteria for companies to be in the purview of the Act and some of its important requirements.

Section C: Case Study (Compulsory, 15 marks)



Patients fitted with faulty Johnson & Johnson hip implants have decided not to pursue their claims for compensation. The patients have questioned the credibility of the panel the government has appointed to fix compensation.

On Monday, the patients wrote to Union Minister of Health and Family Welfare JP Nadda, seeking his intervention in the matter. They claimed that the government-appointed panel lacks the expertise necessary to arbitrate compensation, and have also questioned the involvement of the multinational firm in the process.

The hip implant devices, known as DePuy ASR, are manufactured by DePuy Orthopaedics Inc, a fully-owned subsidiary of Johnson & Johnson. The patients who got the implants had to undergo revision surgeries due to severe pain in the hip, inability to walk, destruction of bone and deposition of harmful metal debris of the implant inside body tissue.

"Given the lack of transparency and guidelines, there are grave concerns about whether the committee will be fair, just, equitable and reasonable in determining compensation," reads the letter. "A committee operating without guidelines, framed through a consultative process...lacks credibility and effectiveness."

In September, the Centre had asked states to constitute separate committees so that aggrieved patients could approach them for compensation. But in the letter to Nadda, the patients said no such committees have yet been formed.

The complainants also said there was a lack of clarity about which cases will be considered appropriate for compensation, the documents needed to make the claim, and the calculation of such compensation. "We remain perplexed over the apparent inaction of the government to hold Johnson & Johnson accountable for the harm they have caused to patients, including through criminal proceedings," they added.

According to a report by an expert committee set up by the Ministry of Health and Family Welfare in February 2017, over 3,600 patients with the faulty implants are now untraceable. At least four people died after undergoing surgery. The company itself has admitted that there were 121 "serious adverse events" related to the surgeries in India between January 2014 and June 2017. The government has said the company is responsible for paying damages to all patients who reported adverse reactions.

Source: <https://scroll.in/latest/898484/faulty-hip-implants-johnson-johnson-patients-say-they-will-not-pursue-compensation>

1. Do you think this is an overreaction of the people concerned or do you think they are justified in their demands? Explain your stance.
2. What according to you is the best way a corporate can show accountability in cases where their actions may lead to unwarranted harm to society.
3. Do you know of any other case where the company in question may have been similarly accused?

End of the Question Paper