ASSIGNMENT

Course Code	**:**	**MMPC-020**
Course Title	**:**	**Business Ethics and CSR**
Assignment Code	**:**	**MMPC-020/TMA/JAN/2026**
Coverage	**:**	**All Blocks**

Note: Attempt all the questions and submit this assignment to the Coordinator of your study centre. Last date of submission for January 2026 session is 30th April, 2026 and for July 2026 session is 31st October, 2026.

1. Discuss the shareholder and stakeholder view of management with the help of suitable examples.

2. Briefly discuss the different approaches of business strategy for Corporate Social Responsibility (CSR).

3. Critically analyze the different theories of ethics.

4. Write short notes on the following:

   (a) Ethical Dilemmas
   (b) Social Audit

5. How does a business house arrive at 'make' or 'buy' decision. Discuss the role of CSR Committee in annual reporting.

1. Discuss the shareholder and stakeholder view of management with the help of suitable examples.

Answer

The shareholder and stakeholder views give two different answers to a basic question: for whose benefit should a business be managed? The shareholder view gives first priority to the owners of the company, while the stakeholder view asks managers to consider all groups that affect the firm or are affected by it. Both views influence decisions about profit, risk, employees, customers, the environment and social responsibility.

Shareholder view of management

The shareholder view is strongly associated with Milton Friedman and the traditional agency view of the firm. Shareholders provide capital and appoint managers to use that capital productively. Managers are therefore treated as agents of the owners. Their main responsibility is to run the business efficiently, earn profits and increase shareholder value, while obeying the law and accepted rules of society.

This view gives management a clear objective. Investment proposals, product decisions and cost-reduction plans can be judged by their effect on profitability, cash flow and the long-term value of the company. Supporters also argue that managers are trained to manage business resources, not to act as public policy makers. If managers spend company money on social causes that have no connection with the business, they may be using shareholders' funds according to their own personal preferences.

The shareholder approach does not necessarily mean that a company should ignore customers, employees or society. Fair wages, product quality, pollution control and good customer service may be necessary for legal compliance, reputation and long-term profit. The difference is that these actions are justified mainly because they protect or improve the economic interests of the firm and its owners.

For example, suppose a manufacturing company can invest in a more energy-efficient machine. If the machine reduces electricity cost, lowers waste and raises future profits, the shareholder view would support the investment because it improves shareholder value. In the same way, a company may provide employee training because better skills raise productivity and reduce labour turnover.