

Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.

Section "A"

Very Short Answer Questions

Attempt all the questions. [10×2]

1. Draw a diagram to show the relationship between business and society from system perspective.
2. List out the theories of corporate social responsibility.
3. What are the types of stakeholders?
4. Illustrate whistle blowing with its types.
5. Define corporate governance.
6. Give the concept of ethical audit.
7. Explain briefly the stewardship theory.
8. Distinguish between corporate citizenship and corporate governance.
9. List out any three arguments for corporate social responsibility.
10. What are the roles of government promoting CSR in Nepal?

Section "B"

Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Define business and society. Discuss the forces shaping business and society relationship.
12. Define corporate social responsibility. Illustrate the key drivers of CSR.
13. "Modern CSR Paradigm is all about creating a win-win situation between business and society." Elucidate.
14. If you are planning to establish a business after completing your bachelor degree, how would you analyze the stakeholders?
15. Define business ethics. Critically evaluate the implications of ethics on business and society.
16. Identify major challenges for good corporate governance and give your suggestions to improve good governance in Nepalese business organizations.
17. Compare and contrast agency theory, transaction cost economics and stewardship theory. Which one do you think superior and why?

Section "C"

Case Analysis

18. *Read the case situation given below and answer the questions that follow:*
[20]

Walmart, the world's largest retail business, built its business model around low prices, supply chain innovation, and the ability to source more cheaply than its competitors. It came under repeated criticism for everything, from minimum-wage jobs at its shops, the impact that its megastores had on the local environment, to its encouragement of poor labor practices by its suppliers, especially in China and Bangladesh. For instance, news in the Times magazine published the fact that western companies including Walmart are promoting the business like Chun Si in China where workers are severely exploited.

Chun Si, a Chinese company, manufactures and sells handbags mainly to Walmart. The health and safety measures at its workplace are poor, there's differential wages to male and female, and some of the internationally proclaimed human rights are not properly respected. For years, Walmart took the Criticism, pointing to its share price and booming sales to justify its business model.

But in 2005, CEO Lee Scott admitted that the broadsides had taken their toll. While criticisms and lawsuits continued unabated, the share price no longer seemed so strong. The company took steps to strengthen its world wide labor inspection program, hired 'Business for social responsibility (a global non profit organization) to help it to engage with other organizations, and set up consultation groups with its major suppliers to look at how to make its supply chains more responsible. Scott is enthusiastic that Walmart can have a big impact and, at the same time, reduce costs by reducing its packaging, improving the efficiency of its transportation fleet, and making its stores consume less energy. In 2009 for example, Walmart was able to save \$200 million by reducing its packaging and rerouting its trucks. By doing these, it was able to not only save costs but also protect the environment.

Now, Walmart turns waste food into compost, animal feed, or energy through anaerobic digestion. Walmart has turned its garbage into an asset, just by thinking differently. Moreover, Walmart has simplified its supply chain to deal directly with farmers and eliminate some middlemen. "The logistics aren't as difficult as you might think," says Chief sustainability officer Andrea Thomos." The farmer can actually drop off produce at the distribution center or at the store. "By doing so, farmers are able to get more prices for their products while at the same time Walmart is able to get fresh stuff with less cost. However, its commitment to wind and solar

power has been limited because they cost more than electricity from coal, nuclear or natural gas in most places.

Ten years ago, Walmart set out three aspirational goals tied to sustainability: create zero waste, operate with 100 percent renewable energy; and sell products that sustain our resources and the environment. At the Net impact conference on Nov,4,2016, Walmart President and CEO Doug McMillon outlined new targets that build upon the three original aspirational sustainability goals to guide the company on critical shared value priorities for the next decade. Priorities include: provide great jobs and trainings that become great careers for its employees; support local, diverse and small business development; reduce energy intensity and emissions; eliminate waste; improving responsibility in value chains; help relieve hunger; enhance resilience in the face of disasters and develop local communities.

Says Scott, explaining why he was now prepared to talk to Walmart's critics: 'when growth was easier, this idea of simply ignoring critics was okay. [But] as the share price slows, you have to get to this point'. Asked why Walmart still stood accused of paying rock-bottom wages with few benefits, however, he answered that no company could forget what industry they were in and low wages were a fact of life in retail. He also said he saw no 'benefit' in reaching out to unions and cautioned that Walmart would need to be careful about taking actions that did not eventually lower its costs.

Questions:

- a) What are the relevant ethical issues in this case? Discuss
- b) Do you think it's fair to expect Walmart's control over its suppliers' work place practices? Justify
- c) How would you evaluate the CSR practices and priorities of Walmart in the recent decades?
- d) Is there any gap between projected philosophy of Walmart vis-à-vis CSR and its actual CSR practices? What are (or may be) the reasons behind such state of affairs?