

**BACHELORS WITH FINANCE (COMMERCE) AS MAJOR (CT – I)**  
**6<sup>th</sup> SEMESTER**

**FIN622J1 FINANCE (COMMERCE) \_ CORPORATE GOVERNANCE**

**CREDITS: THEORY – 03; TUTORIAL – 01**

**COURSE DESCRIPTION**

*The course is designed to highlight and discuss the various aspects and importance of corporate governance, especially in India. The course also deals with the emergence of corporate governance and the world view about corporate governance.*

**COURSE OBJECTIVES**

1. To make students understand the mechanism of Corporate Governance in general and in Indian context, in particular.
2. To acquaint students with the view and recommendations of various global and national committees on corporate governance.
3. To imbibe students with the sense of becoming responsible managers caring not only of their companies but also meet the social, national and global expectations.

**COURSE OUTCOME**

*The students are expected to get familiarize with the concept governance of corporations, understand legal and regulatory framework of corporate governance, and, subsequently, develop the ethical corporate governance acumen.*

**UNIT-I**

Corporate Governance: Need, Characteristics & Scope. Emergence of Corporate Governance. Issues in Corporate Governance. Corporate Governance Theories: Agency Theory, Stakeholder's Theory, Stewardship Theory, Moral Hazard Theory, & Sociological Theory. Corporate Governance Models: The Anglo-Saxon Model, The Japanese Model, & Indian Model. Corporate Governance & Obligation towards different Stakeholders.

**UNIT-II**

Overview of Prominent Corporate Governance Initiatives at Global & National Level: OECD Principles, World Bank Recommendations, McKinsey Survey on Corporate Governance, Naresh Chandra Committee Report 2002, The Narayana Murthy Report 2003, & Uday Kotak Report on Corporate Governance 2017.

Legal & Regulatory Framework of Corporate Governance in India. Investor Protection under “The Indian Companies Act 2013”. Auditor's Responsibilities under the Companies Act 2013. Corporate Governance guidelines under SEBI Act 1992 & National Depositories Act 1996.

**UNIT-III**

Board of Directors & Corporate Governance: Legal Position of a Director, Power, Duties & Responsibilities of Directors. Liabilities of a Director: Ultra Vires Act, Negligence, Breach & Misfeasance. Views of Various Committee on Role of Board of Directors in Corporate Governance: The Greenbury Committee, The Hampel Committee, & the OECD Views.

Whistle Blowers Protection Act 2014 & Corporate Governance: Whistle Blower & Informants. The Factors Influencing the Whistleblower in Disclosing Wrongdoing. Impact of Whistle Blowing on Corporate Governance.

**TUTORIALS**

*Apart from the individual attention being given to the students, Tutorials shall include the following:*

- A. Case Studies individually or in groups
- B. Group Discussions on subject specific current issues/development
- C. Assignments
- D. Project Work & Viva-Voice
- E. Field Visits & Reports
- F. Practicals wherever applicable

**SUGGESTED READINGS:**

1. Fernando, A. C., Muraleedharan, K. P. & Satheesh, E. K. “Corporate Governance: Principles, Policies & Practices”, Pearson Education India, Noida, UP, India.
2. Indian Institute of Corporate Affairs (IICA), “Corporate Governance”, Taxman Publications, New Delhi.
3. Tricker B. “The Evolution of Corporate Governance”, Cambridge University Press, UK.
4. Mallin, C. A., “Corporate Governance”, Oxford University Press, UK.
5. Monks, R. A. G. & Minow, N., “Corporate Governance”, John Wiley & Sons Ltd., UK.

**Note: Latest editions of text books may be used.**