

Time : 2 hours

Marks : 50

- N. B :** 1) All Question are Compulsory.  
2) Marks are allotted for neatness and proper presentation of the answer.

**Q. 1 Define the following Terms**

(15)

- 1) Values
- 2) Denotological
- 3) UTI
- 4) Corruption
- 5) Corporate Governance

**Q. 2 Read the frowllowing case and answer the question given below.**

(12)

Harshad Mehta was an Indian stockbroker and is alleged to have engineered the rise in the BSE stock exchange. Exploiting several Loopholes in the Banking system. Harshad and his associates siphoned off funds from inter. bank transactions and bought shares heavily at a premium across many segments triggering a rise in the sensdex. When the scheme was exposed, the banks started demanding the money back, causing the collapse.

In April 1992 the Indian stock market crashed and Horshad Mehta, the Person considered the architect of the bull run was blamed for the crash. He had manipulated the Indian banking system to siphon off funds to build large position in a select group of stocks.

Mehta needed banks, which could issue fake BRs, or B Rs. not backed by any government securities. "Two small and little known banks. the Bank of Karad (Bok) and the Metropolitan Co-operative Bank (MCB) came in handy for this purpose These banks were willing to issue B Rs. as and when requisired for a fee" Once there fake B Rs. were issuedd, they were passed on other banks and the banks intum give money to Mehta assuming that they were lending against government secuictes when this was not really the case.

The Central Bureau of Investigation which is India's premier investigative agency, was entrusted with the task of deciphering the modus operandi and the ramifications of the scams. Harshad Mehta was arrested and investigation continued for a decade. During this judicial custody, while he was in Thane prison, Mumbai be complained of chest pain, and was moved to a hospital, where be died on 31<sup>st</sup> Dec. 2001.

**Questions :**

- a) What are the ethical Issues involved in this case ? (5)
- b) What were the economic consequences of the scam ? (5)
- c) What were the social consequences of the scam ? (3)
- d) Why was Mehta needed banks ? (2)

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**Q. 3 a)** Enumerate the code of ethics of any banks ? (8)

b) What are the ethical problems in Managing the Indian corporate ? (7)

**N. B :** 1) All Question are Compulsory  
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**OR**

**Q. 3 a)** What is the role of SEBI in implementing Corporate Governance in Indian Banks ? (8)

1) Values (7)

b) What are the RBI Guidelines to prevent fraud in Banking sector ? (7)

2) Denotological

3) UTI

**Q. 4 a)** What are the characteristic of the UTI scams ? (8)

4) Corruption

b) Enumerate the role of IT in prevention of fraud corruption ? (7)

5) Corporate Governance

**OR**

**Q. 2** Read the following case and answer the question given below. (12)

**Q. 4** Write short Notes on (any three) (15)

Harshad Mehta was an Indian stockbroker and is alleged to have

1) **Computer crimes** in the BSE stock exchange. Exploiting several loopholes in the Banking system, Harshad and his associates siphoned off funds from

2) **IPO Bubbles** transactions and bought shares heavily at a premium across many segments triggering a rise in the sensex. When the scheme was

3) **Ethics & Morality** started demanding the money back, causing the collapse.

In April 1992 the Indian stock market crashed and Harshad Mehta, the

4) **RSA Secur ID** the architect of the bull run was blamed for the crash.

He had manipulated the Indian banking system to siphon off funds to build large position in a select group of stocks.

Mehta needed banks, which issue fake BRs, or B Rs, not backed by any government securities. Two small and little known banks, the Bank of Karad (Bok) and the Metropolitan Co-operative Bank (MCB) came in

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on other banks and the banks in turn give money to Mehta assuming that they were lending against government securities when this was not really

the case.

The Central Bureau of Investigation which is India's premier investigative agency, was entrusted with the task of deciphering the modus

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a) What are the ethical issues involved in this case ? (5)

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c) What were the social consequences of the scam ? (3)

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