

***Understanding Business Ethics 4th edition Stanwick  
Test Bank***

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# Understanding Business Ethics (4th)

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Total Questions: 56

## Easy

### Multiple Choice (2)

Q1. [Multiple Choice]

\_\_\_\_\_ can be defined as the collective values of a business organization that can be used to evaluate whether the behaviors of the organization's collective members are considered acceptable and appropriate.

- a) Validity
- b) Business ethics ✓ correct**
- c) Self-efficacy
- d) Groupthink

Q2. [Multiple Choice]

\_\_\_\_\_ can be defined as the values an individual uses to interpret whether any particular action or behavior is considered acceptable and appropriate.

- a) Ethics ✓ correct**
- b) Validity
- c) Reliability
- d) Commitment

### True/False (14)

Q3. [True/False]

As opposed to deontological frameworks, which focus on whether the results are favorable or not, teleological frameworks focus on the duty or obligation in determining whether the actions are right or wrong.

- a) True
- b) False ✓ correct**

**Correct answer: False**

Q4. [True/False]

Contractarianism is based on the underlying belief that the only person who can determine right or wrong is based on the free will of the person making the decision.

- a) True
- b) False ✓ correct**

**Correct answer: False**

Q5. [True/False]

Ethical egoism is represented in self-improvement, and utilitarianism is represented in beneficence and noninjury.

- a) True ✓ correct**
- b) False

**Correct answer: True**

**Q6.** [True/False]

Existentialism is based on the belief that all individuals agree to social contracts to be a member within a society.

- a) True
- b) False ✓ correct

**Correct answer: False**

**Q7.** [True/False]

Existentialism is represented in fidelity, and contractarianism is represented in fidelity and justice.

- a) True ✓ correct
- b) False

**Correct answer: True**

**Q8.** [True/False]

From a legal standpoint, analytical ethics would address the “motive” behind the actions instead of just being satisfied with a description of the actions.

- a) True ✓ correct
- b) False

**Correct answer: True**

**Q9.** [True/False]

Kant’s ethical view is considered a dualism because it attempts to bridge the gap between the existentialist and contractarian points of view.

- a) True ✓ correct
- b) False

**Correct answer: True**

**Q10.** [True/False]

The collective values of a business organization that can be used to evaluate whether the behaviors of the organization’s collective members are considered acceptable and appropriate are called *business ethics*.

- a) True ✓ correct
- b) False

**Correct answer: True**

**Q11.** [True/False]

The fiduciary principle is based on the belief that stakeholders who have a vested interest in the firm should be treated fairly.

- a) True
- b) False ✓ correct

**Correct answer: False**

**Q12.** [True/False]

The property principle involves making affirmative efforts for those individuals who need help in their personal pursuits, and it also helps protect those individuals who are vulnerable to unethical actions.

- a) True
- b) False ✓ correct

**Correct answer: False**

**Q13.** [True/False]

The supporters of the ethical egoism theory would argue that businesses should focus solely on their own self-interests and maximize their level of profitability by developing a strong competitive advantage.

**a) True ✓ correct**

**b) False**

**Correct answer: True**

**Q14.** [True/False]

The traditional components of fiduciary duty include fair competition and procedural fairness.

**a) True**

**b) False ✓ correct**

**Correct answer: False**

**Q15.** [True/False]

The transparency principle is based on the belief that every employee should conduct business in a truthful and open manner.

**a) True ✓ correct**

**b) False**

**Correct answer: True**

**Q16.** [True/False]

The values that an individual uses to interpret whether any particular action or behavior is considered legal or illegal are called *ethics*.

**a) True**

**b) False ✓ correct**

**Correct answer: False**

## Medium

### Multiple Choice (28)

**Q17.** [Multiple Choice]

According to existentialist philosophy, how can individuals develop their own sense of personal virtue?

**a) by adhering to universal principles**

**b) by being authentic in their actions ✓ correct**

**c) by focusing on duty-based actions**

**d) by examining the consequences of their actions**

**Q18.** [Multiple Choice]

According to the 2020 Global Integrity Report by Ernst and Young (EY), what percentage of junior employees were not confident that top-level management abides by relevant laws and industry regulations?

**a) 35%**

**b) 41%**

**c) 53% ✓ correct**

**d) 58%**

**Q19.** [Multiple Choice]

According to the text, individuals can rely on \_\_\_\_\_ to learn how to determine “right” from “wrong.”

**a) themselves**

**b) religious affiliations ✓ correct**

**c) genealogy**

**d) socioeconomic status**

**Q20. [Multiple Choice]**

Business ethics in a free enterprise society involves addressing the moral importance of \_\_\_\_\_.

- a) profitability and financial success
- b) compliance with legal regulations
- c) efficiency internal processes
- d) both the "ends" and the "means" ✓ correct**

**Q21. [Multiple Choice]**

From a legal standpoint, \_\_\_\_\_ ethics would address the "motive" behind the actions instead of just being satisfied with a description of the actions.

- a) analytical ✓ correct**
- b) descriptive
- c) normative
- d) constructive

**Q22. [Multiple Choice]**

In the context of moral values, integrity is described as \_\_\_\_\_.

- a) adhering to one's moral beliefs even at great personal cost
- b) embodying characteristics such as prudence and trustworthiness
- c) having a clear conscience and being at peace with one's actions ✓ correct**
- d) focusing on the moral importance of the "ends" and "means"

**Q23. [Multiple Choice]**

Sidgwick's dualism argues that \_\_\_\_\_ is necessary in an individual's actions.

- a) utility
- b) rational benevolence ✓ correct**
- c) ego
- d) an ethic

**Q24. [Multiple Choice]**

Supporters of \_\_\_\_\_ state that this theory is the only one that captures the essence of benevolent behavior.

- a) utilitarianism ✓ correct**
- b) Sidgwick's dualism
- c) ethical egoism
- d) Kant's ethics

**Q25. [Multiple Choice]**

The \_\_\_\_\_ principle is based on the assumption that every employee should act as a responsible citizen in the community.

- a) reliability
- b) dignity
- c) citizenship ✓ correct**
- d) fiduciary

**Q26. [Multiple Choice]**

The \_\_\_\_\_ principle is based on the assumption that there are no actual or potential conflicts of interest between the employee and the firm.

- a) property
- b) dignity
- c) citizenship
- d) fiduciary ✓ correct**

**Q27. [Multiple Choice]**

The \_\_\_\_\_ principle is based on the belief that it is the employee's responsibility to honor the commitments he or she has made to the firm.

- a) reliability ✓ correct**
- b) responsiveness
- c) self-respect
- d) transparency

**Q28. [Multiple Choice]**

The \_\_\_\_\_ principle is the belief that employees have a responsibility to supply information when it is requested by various stakeholders.

- a) reliability
- b) responsiveness ✓ correct**
- c) self-respect
- d) transparency

**Q29. [Multiple Choice]**

The consequences of an individual's actions, as mentioned in the text, emphasize the moral importance of \_\_\_\_\_.

- a) intentions behind the actions
- b) personal gain and benefit
- c) the "ends" and the "means" ✓ correct**
- d) social approval and recognition

**Q30. [Multiple Choice]**

The supporters of \_\_\_\_\_ argue that this framework is the only ethical mold that captures the essence of motivation within individuals.

- a) utilitarianism
- b) Sidgwick's dualism
- c) ethical egoism ✓ correct**
- d) Kant's ethics

**Q31. [Multiple Choice]**

Traditional examples of violations of the \_\_\_\_\_ principle include theft, misappropriation of funds, and wasting resources.

- a) reliability
- b) dignity
- c) property ✓ correct**
- d) transparency

**Q32. [Multiple Choice]**

What allows animal instincts to control the appetite of an individual?

- a) lust
- b) gluttony ✓ correct**
- c) greed
- d) pride

**Q33. [Multiple Choice]**

What did Dante call love of justice perverted to revenge and spite?

- a) wrath ✓ correct**
- b) envy
- c) pride
- d) greed

**Q34. [Multiple Choice]**

Which ethical framework focuses on the duty or obligation in determining whether the actions are wrong or right?

- a) teleologic
- b) Sidgwick's dualism
- c) deontology ✓ correct**
- d) ethical egoism

**Q35. [Multiple Choice]**

Which of Ross's seven guiding principles is concerned with the fair distribution of goods?

- a) fidelity
- b) reparation
- c) gratitude
- d) justice ✓ correct**

**Q36. [Multiple Choice]**

Which of the following is an example of fairness?

- a) responsiveness fairness
- b) citizenship fairness
- c) transparency fairness
- d) distributive fairness ✓ correct**

**Q37. [Multiple Choice]**

Which teleological framework focuses on individuals pursuing their own self-interest?

- a) ethical egoism ✓ correct**
- b) utilitarianism
- c) Kant's ethics
- d) Sidgwick's dualism

**Q38. [Multiple Choice]**

\_\_\_\_\_ attempted to resolve the fundamental difference of whether the actions for one's self-benefit impact just the individual or others.

- a) Utilitarianism
- b) Sidgwick's dualism ✓ correct**
- c) Ethical egoism
- d) Kant's ethics

**Q39. [Multiple Choice]**

\_\_\_\_\_ ethics allows employees and managers to address potential ethical issues before they occur.

- a) Analytical
- b) Descriptive
- c) Normative ✓ correct**
- d) Constructive

**Q40. [Multiple Choice]**

\_\_\_\_\_ ethics is used when an observer wants to understand the course of events that generated the ethical issue.

- a) Analytical
- b) Descriptive ✓ correct**
- c) Normative
- d) Constructive

**Q41. [Multiple Choice]**

\_\_\_\_\_ evaluates people's actions based on the net result of their actions on the community.

- a) Utilitarianism ✓ correct**
- b) Sidgwick's dualism
- c) Ethical egoism
- d) Kant's ethics

**Q42. [Multiple Choice]**

\_\_\_\_\_ is based on the belief that all individuals agree to social contracts to be a member within a society.

- a) Intuitionism
- b) Existentialism
- c) Contractarianism ✓ correct**
- d) Kant's Ethics

**Q43. [Multiple Choice]**

\_\_\_\_\_ is based on the underlying belief that the only person who can determine right and wrong is based on the free will of the person making the decision.

- a) Intuitionism
- b) Existentialism ✓ correct**
- c) Contractarianism
- d) Kant's Ethics

**Q44. [Multiple Choice]**

\_\_\_\_\_ is the trait of an individual who has obsessive and compulsive continuous thoughts of sexual desire.

- a) pride
- b) envy
- c) lust ✓ correct**
- d) sloth

## **True/False (2)**

**Q45. [True/False]**

Utilitarianism as developed by Jeremy Bentham holds that the individual best serves oneself by providing the greatest good for a small number of productive individuals.

- a) True
- b) False ✓ correct**

**Correct answer: False**

**Q46. [True/False]**

Within the analytical ethics context, there is no interpretation of the facts or assumptions concerning why certain courses of action took place.

- a) True
- b) False ✓ correct**

**Correct answer: False**

## Essay (5)

### Q47. [Essay]

In a short essay, list and describe five of the eight major underlying principles in which ethical behavior can be interpreted and evaluated.

**Suggested answer:** Sample response: a. *Fiduciary principle*—the traditional components of fiduciary duty include ensuring that there are no actual or potential conflicts of interest given the actions of the employee. It also is implied that each employee will not put his or her self-interests above the interest of the firm b. *Property principle*—based on the belief that every employee should respect property as well as the rights of the owners of the property c. *Reliability principle*—based on the belief that it is the employee's responsibility to honor commitments he or she has made to the firm d. *Transparency principle*—based on the belief that every employee should conduct business in a truthful and open manner e. *Dignity principle*—based on the belief that each employee needs to respect the dignity of all individuals f. *Fairness principle*—based on the belief that stakeholders who have a vested interest in the firm should be treated fairly g. *Citizenship principle*—based on the belief that every employee should act as a responsible citizen in the community h. *Responsiveness principle*—based on the belief that employees have a responsibility to respond to requests for information about the operations from the various stakeholders

### Q48. [Essay]

In a short essay, list and discuss five of the seven deadly sins described as one of the founding areas of guidance for those unsure about their ethical standing.

**Suggested answer:** Sample response: a. *Lust*—defined as the trait of an individual who has obsessive and compulsive continuous thoughts of sexual desire b. *Gluttony*—defined as when an individual over indulges and over consumes anything good to the point that the good is wasted when it is consumed c. *Greed*—defined as an excessive desire by the individual to obtain wealth, status, and power d. *Sloth*—can be defined as being lazy and indifferent about one's own actions e. *Wrath*—defined as an uncontrollable level of anger or rage f. *Envy*—relates to focusing on one's own self-interests in the desire to obtain qualities or possessions of another person g. *Pride*—relates to being considered above or "superior" to another person

### Q49. [Essay]

In a short essay, list and discuss five of the seven guiding principles that W.D. Ross presented as the basis of how individuals develop a level of intuition that becomes incorporated in their decision-making process.

**Suggested answer:** Sample response: a. *Fidelity*—an individual needs to keep explicit and implicit promises b. *Reparation*—an individual must act on repairing the consequences for previous wrongful acts c. *Gratitude*—an individual must be able to show gratitude for the kindnesses that others have given him or her d. *Justice*—an individual should try to see that any goods are fairly distributed e. *Beneficence*—an individual should focus on trying to improve the lives of others f. *Self-improvement*—an individual should improve himself or herself by focusing on virtue and intelligence g. *Noninjury*—an individual should not cause any harm to others

### Q50. [Essay]

In a short essay, list and discuss the three deontological frameworks.

**Suggested answer:** Sample response: a. *Existentialism*—based on the underlying belief that the only person who can determine right and wrong is based on the free will of the person making the decisions. b. *Contractarianism*—also called social contract theory, is based on the belief that all individuals agree to social contracts to be a member within a society. c. *Kant's ethics*—Kant argues that the free will to make decisions that were considered rational needed to be converted into a universal will. Kant's ethical view is considered a dualism because it attempts to bridge the gap between the existentialist and contractarian points of view.

### Q51. [Essay]

In a short essay, list and discuss the three teleological frameworks.

**Suggested answer:** Sample response: a. *Ethical egoism*—based on the belief that every individual should act in a way to promote himself or herself if the net result will generate, on balance, positive rather than negative results. b. *Utilitarianism*—can be based on single acts of individuals (act utilitarianism) or on guiding behavior indirectly through an evaluation of ethical conduct via rules procedures (rule utilitarianism). c. *Sidgwick's dualism*—attempted to bridge the gap between the two competing frameworks of ethical egoism and utilitarianism. At the core of the argument is that both previous theories had elements of using cost-benefit analysis to help analyze the actions of individuals. Sidgwick's dualism attempted to resolve the fundamental difference of whether the actions for one's self-benefit impact just the individual or others.

## Hard

### Multiple Choice (4)

**Q52.** [Multiple Choice]

How do Rio Tinto's actions to maximize shareholder wealth, despite their legality, align with ethical principles and corporate governance?

- a) They reflect a commitment to social responsibility.
- b) They demonstrate fair and just corporate practices.
- c) They violate ethical norms and stakeholder trust. ✓ correct**
- d) They adhere to principles of transparency and accountability.

**Q53.** [Multiple Choice]

If a board member admits they would ignore unethical conduct by a third party for career advancement, what potential consequences might this have on organizational culture and employee behavior?

- a) increased trust in leadership
- b) enhanced ethical work environment
- c) tolerance for unethical behavior ✓ correct**
- d) improved employee morale

**Q54.** [Multiple Choice]

If an employee believes they could report unethical wrongdoing without fear of punishment, how might this impact the organization's ethical climate?

- a) improved transparency and accountability ✓ correct**
- b) decreased employee engagement
- c) higher tolerance for unethical behavior
- d) negative impact on the firm's reputation

**Q55.** [Multiple Choice]

The trolley problem is an example of \_\_\_\_\_.

- a) Sidgwick's dualism
- b) Kant's ethics
- c) an ethical dilemma ✓ correct**
- d) a violation of ethical egotism

### Essay (1)

**Q56.** [Essay]

Apply the dignity principle to intercultural interactions. Explain one key aspect that employees should be sensitive to when interacting with people from other cultures and countries.

**Suggested answer:** Sample response: The dignity principle is based on the belief that people should do all that they can to protect the human rights of health, safety, and privacy. Further, employees should be sensitive to cultural differences, fostering respectful and considerate interactions with individuals from diverse cultures and countries.