

***Business A Changing World (Canadian) 6th edition
Ferrell Test Bank***

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TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 1) Business ethics refers to principles and standards that determine acceptable conduct in business organizations.

Answer: ☒ True ☐ False

- 2) Social responsibility is another term for ethics.

Answer: ☐ True ☒ False

- 3) The Sarbanes-Oxley Act was designed to prevent the elimination of employee health benefits for all full time workers in the United States.

Answer: ☐ True ☒ False

- 4) Nearly all business decisions may be judged as right or wrong, ethical or unethical.

Answer: ☒ True ☐ False

- 5) The most basic ethical concerns have been formalized through laws and regulations that encourage conformity to society's values and norms.

Answer: ☒ True ☐ False

- 6) The Occupy Movement was considered a global protest against the private ownership of resources and the resulting undermining of democracy.

Answer: ☐ True ☒ False

- 7) Business ethics are the same as legal issues.

Answer: ☐ True ☒ False

- 8) One of the principal causes of unethical behaviour in organizations is overly aggressive financial or business objectives.

Answer: ☒ True ☐ False

- 9) Knowing the difference between right and wrong is universal and independent of cultural association.

Answer: ☐ True ☒ False

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 10) Only corporations have to worry about ethics scandals and social responsibility issues.

Answer: False

- 11) An ethical issue is an identifiable problem, situation, or opportunity that requires a person or organization to choose from among several actions that may be evaluated as ethical or unethical.

Answer: True

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 12) One of the principal causes of unethical behaviour in organizations is overly aggressive financial or business objectives.
Answer: ☒ True ☐ False
- 13) The best way to judge the ethics of a decision is to look at it from a manager's or employee's point of view.
Answer: ☐ True ☒ False
- 14) Abusive or intimidating behaviour is the most common ethical problem for employees.
Answer: ☒ True ☐ False
- 15) Bullying is associated with a hostile workplace when someone considered a target is threatened, harassed, belittled, or verbally abused or overly criticized.
Answer: ☒ True ☐ False
- 16) Bullying may create what some may call a hostile environment and has similar legal recourse to that of sexual harassment.
Answer: ☐ True ☒ False
- 17) A bribe is considered as a conflict of interest.
Answer: ☒ True ☐ False
- 18) While large bribes are no longer considered acceptable, it still isn't clear about small bribes, often referred to as "facilitation payments," that get people to perform their jobs.
Answer: ☒ True ☐ False
- 19) Another aspect of conflict of interest relates to disclosure of potential harm caused by product use.
Answer: ☐ True ☒ False
- 20) According to the first major study of academic misconduct in Canada, cheating, deceit, and plagiarism were not found to be a problem among Canadian post-secondary students.
Answer: ☐ True ☒ False
- 21) Establishing and enforcing ethical standards and policies within business can help reduce unethical behaviour by prescribing which activities are acceptable and which are not, and by removing the opportunity to act unethically.
Answer: ☒ True ☐ False
- 22) Ethical decisions in an organization are influenced by three key factors: individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct.
Answer: ☒ True ☐ False

- 23) Without a code of ethics or formal policy on ethics, employees are likely to base their decisions on how their peers and superiors behave.
Answer: ☒ True ☐ False
- 24) Codes of ethics foster ethical behaviour because they expand the opportunity to behave unethically.
Answer: ☐ True ☒ False
- 25) Ethical decisions in an organization are influenced by a single factor, the moral standard of the organization's leadership.
Answer: ☐ True ☒ False
- 26) Codes of ethics are formalized rules and standards that describe what the company expects of its employees.
Answer: ☒ True ☐ False
- 27) The Canadian government is hoping to encourage whistleblowers to inform them about tax cheats. Revenue Canada is offering whistleblowers a 15 percent commission on money collected as a result of tips.
Answer: ☒ True ☐ False
- 28) The Federal Accountability Act provides public-sector workers legal protection against reprisals for reporting government wrongdoing.
Answer: ☒ True ☐ False
- 29) The concept of social responsibility is universally accepted.
Answer: ☐ True ☒ False
- 30) The dimensions of social responsibility include economic, legal, ethical, and voluntary responsibilities.
Answer: ☒ True ☐ False
- 31) Increasingly, consumers are choosing not to patronize businesses that receive negative publicity concerning misconduct.
Answer: ☒ True ☐ False
- 32) Corporate citizenship is the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their owners.
Answer: ☐ True ☒ False
- 33) Voluntary responsibilities are optional activities that promote human welfare or goodwill.
Answer: ☒ True ☐ False
- 34) Managers consider social responsibility on an annual basis.
Answer: ☐ True ☒ False

35) Recycling is a business response to employee issues.

Answer: True ☒ False

36) The right to safety requires that businesses provide a safe place for consumers to shop.

Answer: ☒ True False

37) A major social responsibility for business is providing equal opportunities for all employees.

Answer: ☒ True False

38) Day care has become a major employment issue for women, yet many corporations have failed to address this issue in an adequate way for them.

Answer: True ☒ False

39) The size of the transaction, the history of personal relationships within the particular company, and many other factors may determine whether a customer gift will be judged as ethical.

Answer: ☒ True False

40) Conflicts of interest are payments, gifts, or special favours intended to influence the outcome of a decision.

Answer: True ☒ False

41) Ethics is related to the culture in which a business operates.

Answer: ☒ True False

42) Workplace bullying is a decreasing problem.

Answer: True ☒ False

43) Environmental responsibility is yet to become a leading issue as both business and the public still fail to acknowledge the damage done to the environment in the past.

Answer: True ☒ False

44) The efforts to make products, packaging, and processes more environmentally friendly have been labelled "green" business or marketing by the public and media.

Answer: ☒ True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

45) Which of the following statements about business ethics is *false*?

- A) It refers to principles and standards that define acceptable behaviour in business organizations.
- B) It concerns the impact of a business's activities on society.
- C) It relates to an individual's values and moral standards, and the resulting business decisions he or she makes.
- D) What is ethical is determined by the public, government regulators, interest groups, competitors, and each individual's personal moral values.
- E) Studying it can help you recognize ethical issues and understand how others make unethical decisions.

Answer: B

46) Studying business ethics will not necessarily:

- A) tell you what you ought to do.
- B) help you understand the importance of ethical decisions.
- C) inform you about the impact of the work group on ethical decisions.
- D) describe the ethical decision-making process.
- E) help you recognize ethical issues.

Answer: A

47) Ethical violations destroy:

- A) morale.
- B) nothing.
- C) profits.
- D) confidence/trust.
- E) jobs.

Answer: D

48) The Sarbanes-Oxley Act and Ontario's Bill C-198 were both passed to:

- A) help laid-off employees get their jobs back.
- B) improve corporate profits.
- C) punish those who committed accounting fraud in the late 1990s.
- D) help restore confidence in corporations and markets.
- E) help investors recoup their losses.

Answer: D

49) Which of the following has been cited as an incident of unethical business activity recently?

- A) Deceptive advertising of food products
- B) Unfair competitive practices in the computer industry
- C) Using the Internet to steal another person's credit-card number
- D) Accounting fraud
- E) All of the choices are correct

Answer: E

50) Which of the following statements is *false*?

- A) Business ethics go beyond legal issues.
- B) Regardless of what an individual feels about a particular action, if society judges it to be unethical, that judgment affects the organization's ability to achieve its objectives.
- C) Ethical conflicts may evolve into legal disputes.
- D) Ethical issues are limited to for-profit organizations.
- E) Ethical conduct builds trust among individuals and in business relationships.

Answer: D

51) The most common ethical problem for employees is:

- A) Fairness and Honesty.
- B) Bribery.
- C) Communications.
- D) Abusive or Intimidating Behaviour.
- E) Conflict of Interest.

Answer: D

52) Which of the following is *not* considered unethical behaviour in the workplace?

- A) Shopping for clothes online while at work
- B) Taking notebooks and pens home for personal use
- C) Using your cell phone to make a doctor's appointment during your lunch break
- D) Using on the job time to write e-mails to your friends and family
- E) Looking the other way when you notice a superior doing something that is against company policy

Answer: C

53) In Canada, if a businessperson brought an elaborately wrapped gift to a prospective client on their first meeting, it might be viewed as:

- A) a bribe.
- B) appropriate.
- C) an act of dishonesty.
- D) an acceptable motivation for business.
- E) an expected enticement to do business.

Answer: A

54) If a corporate manager makes a decision that results in personal financial benefit while the company's owners lose financially, this is an ethical issue related to:

- A) inequality.
- B) dishonesty.
- C) communication problems.
- D) illegal actions.
- E) conflicts of interest.

Answer: E

55) If the owner of a toy store seeking a price reduction gives the manager of a toy manufacturing company a new personal computer, the toy-store owner is using which approach to influence the manufacturer's decision making?

- A) Bribery
- B) High technology
- C) Computer impacting
- D) Discounting
- E) Tipping

Answer: A

56) A supplier of a component part has offered Karen's family a free two-week cruise if his firm gets a very large order from Karen's company. The most ethical course of action for Karen to take would be to:

- A) call the police.
- B) accept it if the part in question meets quality standards.
- C) politely turn it down and discuss the offer with her boss.
- D) accept the offer.
- E) ask around and see how her boss handled such offers previously.

Answer: C

57) That businesspeople are expected not to harm customers, clients, and competitors knowingly through deception, misrepresentation, coercion, or discrimination is part of:

- A) communications.
- B) consumerism.
- C) conflicts of interest.
- D) business relationships.
- E) fairness and honesty.

Answer: E

58) When The Forzani Group and Suzy Shier Inc. ended up on the receiving end of a number of consumer complaints due to overstating regular prices to make the sales look more attractive, this was an ethical issue concerned primarily with:

- A) conflicts of interest.
- B) communications.
- C) game rules.
- D) fairness and honesty.
- E) cost control.

Answer: D

- 59) When CBC's *Marketplace* investigated Herbal Magic for questionable weight loss claims, the primary area of ethical concern in this case was questionable:
- A) product design.
 - B) conflicts of interest.
 - C) financing.
 - D) business relationships.
 - E) communications.

Answer: E

- 60) Canadian anti-tobacco legislation and the U.S. Surgeon General's warning on cigarette packages about the health implications of smoking is an example of which of the following ethical issues?
- A) Conflicts of interest
 - B) Environmental issues
 - C) Communications
 - D) Relationships within a business
 - E) Fairness and honesty

Answer: C

- 61) The following behaviour is an example of ethical consideration within business relationships:
- A) keeping company secrets.
 - B) offering a bribe.
 - C) avoiding obligations.
 - D) shirking responsibilities.
 - E) setting a poor example for others.

Answer: A

- 62) If a manager pressures a subordinate to engage in activities that he or she may otherwise view as unethical, such as accounting fraud or stealing a competitor's secrets, there exists an ethical issue related to:
- A) communications.
 - B) conflicts of interest.
 - C) fairness and honesty.
 - D) business relationships.
 - E) plagiarism.

Answer: D

- 63) If an employee learned of a significant cost-saving idea from a co-worker and then informed the management of the idea without revealing its true source, then the employee would be involved in:
- A) socialism.
 - B) career advancement.
 - C) keeping a secret.
 - D) egalitarianism.
 - E) plagiarism.

Answer: E

- 64) A set of formalized rules and standards that describe what a company expects of its employees is called a(n):
- A) opportunity.
 - B) guideline.
 - C) moral philosophy.
 - D) code of ethics.
 - E) law.

Answer: D

- 65) What occurs when an employee exposes an employer's wrongdoing to outsiders?
- A) Plagiarism
 - B) Mayhem
 - C) Whistleblowing
 - D) A criminal lawsuit
 - E) Fraud

Answer: C

- 66) Codes of ethics foster ethical behaviour by:
- A) expanding the opportunity to behave ethically by providing punishments for following the rules.
 - B) expanding the opportunity to behave ethically by providing rewards for following the rules.
 - C) limiting the opportunity to behave unethically by providing rewards for violations of the rules and standards.
 - D) limiting the opportunity to behave unethically by providing punishments for violations of the rules and standards.
 - E) all of the choices are correct.

Answer: D

- 67) Unethical behaviour in business can be reduced if management does all of the following, *except*:
- A) punish unethical behaviour firmly.
 - B) establish formal rules and procedures.
 - C) limit opportunities for unethical behaviour.
 - D) establish clear policies on unethical behaviour.
 - E) depend totally on employees' personal ethics.

Answer: E

- 68) According to the text, ethical decisions in an organization are influenced by (1) individual moral standards, (2) the influence of managers and co-workers, and (3):
- A) informal ethical policies or rules.
 - B) the founder's values.
 - C) family influence.
 - D) religious values.
 - E) the opportunity to engage in misconduct.

Answer: E

- 69) Which of the following should help reduce the incidence of unethical behaviour in an organization?
- A) Understanding individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct.
 - B) Maximizing ethical conflict in work groups.
 - C) Overlooking violations of codes of ethics.
 - D) Expanding opportunity by providing punishments for violations of the rules.
 - E) All of these answers will help reduce the incidence of unethical behaviour in an organization.

Answer: A

- 70) Firms that develop higher levels of _____ function more efficiently and effectively and avoid damaged company reputations and product images.
- A) cooperation
 - B) profit
 - C) philanthropy
 - D) respect
 - E) trust

Answer: E

- 71) Corporate _____ refers to the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their stakeholders.
- A) codes
 - B) philanthropy
 - C) citizenship
 - D) compliance
 - E) values

Answer: C

- 72) Being profitable relates to which social responsibility dimension?
- A) Voluntary
 - B) Ethical
 - C) Economic
 - D) Corporate citizenship
 - E) Legal

Answer: C

- 73) Which of the following is *not* one of the dimensions of social responsibility?
- A) Economic
 - B) Altruistic
 - C) Legal
 - D) Voluntary
 - E) Ethical

Answer: B

- 74) Philanthropic contributions made by a business to a charitable organization represent which dimension of social responsibility?
- A) Corporate citizenship
 - B) Economic
 - C) Voluntary
 - D) Ethical
 - E) Legal

Answer: C

- 75) Which of the following is at the base of the Pyramid of Social Responsibility?
- A) Ethical responsibilities
 - B) Legal responsibilities
 - C) Philanthropic responsibilities
 - D) Economic responsibilities
 - E) Voluntary responsibilities

Answer: D

- 76) Which of the following is at the peak of the Pyramid of Social Responsibility?
- A) Economic responsibilities
 - B) Philanthropic responsibilities
 - C) Voluntary responsibilities
 - D) Ethical responsibilities
 - E) Legal responsibilities

Answer: C

- 77) Contributing to the community and quality of life is considered in which level of the Pyramid of Social Responsibility?
- A) Philanthropic responsibilities
 - B) Voluntary responsibilities
 - C) Ethical responsibilities
 - D) Economic responsibilities
 - E) Legal responsibilities

Answer: B

- 78) Consumers vote against firms they view as socially irresponsible by:
- A) expressing dissatisfaction through violent protests.
 - B) boycotting the company's products.
 - C) writing to their representatives in Parliament.
 - D) filing complaints with the Bank of Canada.
 - E) buying more of the company's products.

Answer: B

- 79) Studies have found a direct link between social responsibility and _____ in business.
- A) declining stock prices
 - B) profitability
 - C) global warming
 - D) ethics
 - E) the happiness of stakeholders

Answer: B

- 80) In addressing social responsibility, managers must consider their firms' relations with:
- A) owners.
 - B) customers.
 - C) employees.
 - D) the community.
 - E) all of these stakeholders.

Answer: E

- 81) Managers consider social responsibility:
- A) on a daily basis.
 - B) at annual planning meetings.
 - C) during budget planning sessions.
 - D) on a weekly basis.
 - E) infrequently.

Answer: A

- 82) All of the following are arguments *against* social responsibility, **except** that:
- A) businesses may not have the necessary expertise.
 - B) businesses have the financial resources to help society.
 - C) the government should bear the responsibility.
 - D) it gives businesses more power.
 - E) it sidetracks managers from their primary objective.

Answer: B

- 83) All of the following are arguments in favour of social responsibility, **except** that:
- A) businesses may lose their focus on profit-making.
 - B) businesses that are socially responsible prevent more government regulation.
 - C) as members of society, businesses should do their fair share to help others.
 - D) the survival of a healthy economy depends on businesses being socially responsible.
 - E) businesses created many of the problems, so they should participate in finding solutions.

Answer: A

- 84) Businesses must first be responsible to:
- A) managers.
 - B) employees.
 - C) owners.
 - D) bankers.
 - E) customers.

Answer: C

- 85) A business's responsibilities to its owners and investors include:
- A) providing all relevant information about the current and projected performance of the firm.
 - B) maximizing their investment in the firm.
 - C) maintaining proper accounting procedures.
 - D) protecting the owners' rights and investments.
 - E) all of the choices are correct.

Answer: E

- 86) Many of the laws regulating safety in the workplace are enforced by:
- A) the Canadian Safety and Security Association.
 - B) the Canadian government.
 - C) the RCMP.
 - D) the Criminal Code.
 - E) NAFTA.

Answer: B

- 87) The activities that independent individuals, groups, and organizations undertake to protect their rights as consumers are known as:
- A) morals.
 - B) social responsibilities.
 - C) consumerism.
 - D) ethics.
 - E) welfare.

Answer: C

- 88) Writing letters to companies, making public service announcements, lobbying government agencies, and boycotting irresponsible companies are activities involved with which social responsibility issue?
- A) Consumer relations
 - B) Community relations
 - C) Environmental issues
 - D) Relations with owners
 - E) Employee relations

Answer: A

- 89) Which right assures the fair treatment of consumers who voice complaints about a purchased product?
- A) The right to be heard
 - B) The right to safety
 - C) The right to complain
 - D) The right to be informed
 - E) The right to choose

Answer: A

- 90) The assurance of satisfactory quality and service at a fair price is part of a consumer's right to:
- A) freedom of speech.
 - B) be heard.
 - C) safety.
 - D) choose.
 - E) be informed.

Answer: D

- 91) Whose role is it to protect consumers against unfair, deceptive, or fraudulent practices?
- A) The Department of Marketing
 - B) Canada's Office of Consumer Affairs
 - C) Industry Canada
 - D) The Ministry of Labour Relations
 - E) Statistics Canada

Answer: B

- 92) One of the most important things companies can do to curb global warming is to reduce greenhouse-gas emissions. Of the options below, which is NOT a good way to reduce daily carbon and greenhouse gas output?
- A) Riding a bike to work
 - B) Taking measures to streamline operations and reduce waste
 - C) Recycling bottles, cans, and paper products
 - D) Buying a more fuel-efficient car
 - E) Keeping the air conditioner running all summer long

Answer: E

- 93) Cosmetic and drug testing on animals is a primary concern under which social responsibility issue?
- A) Relations with stockholders
 - B) Consumer relations
 - C) Community relations
 - D) Employee relations
 - E) Environmental issues

Answer: E

- 94) Which of the following is *not* an area of environmental concern in society today?
- A) Animal rights.
 - B) Land pollution.
 - C) Waste disposal.
 - D) Business practices that harm endangered wildlife.
 - E) Donations to local charitable organizations.

Answer: E

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

95) What is business ethics?

Answer: Answers will vary

Business ethics refers to principles and standards that define acceptable behaviour in business organizations. Within the context of an organization, ethics relate to an individual's or a work group's decisions that society evaluates as right or wrong.

96) Differentiate between the terms social responsibility and ethics.

Answer: Answers will vary

Although many people use the terms social responsibility and ethics interchangeably, they do not mean the same thing. Business ethics relate to an individual's or a work group's decisions that society evaluates as right or wrong, whereas social responsibility is a broader concept that concerns the entire business's activities on society.

97) Briefly summarize the Occupy Movement.

Answer: Answers will vary

The Occupy Movement can be described as a global protest against social and economic inequality. Protestors believe that global corporations (notably financial institutions and wealthy individuals) have an unfair influence in politics leading to economic and social problems that undermine democracy. The movement, which originated in New York, spread quickly throughout North America as protesters built camps in highly visible areas such as in public parks or in front of government buildings. Today, people in the movement claim they are still working on ending economic disparity and addressing several major political themes, including higher minimum wage and the focus of politicians working for the "other 99 percent of Canadians and not the top 1 percent" was a direct result of the movement.

98) What are some of the general ethical issues in business?

Answer: Answers will vary

General ethical issues include conflicts of interest that exist when people must choose whether to advance their own interests or those of others. Fairness and honesty relate to the general values that guide decision makers. Communications is another area in which ethical concerns may arise. The behaviour of businesspersons toward customers, suppliers, and others in their workplaces may also generate ethical concerns.

99) Describe how ethics is related to the culture in which a business operates.

Answer: Answers will vary

In Canada, for example, it would be inappropriate for a businessperson to bring an elaborately wrapped gift to a prospective client on their first meeting—the gift could be viewed as a bribe. In Japan, however, it is considered impolite not to bring a gift. Experience with the culture in which a business operates is critical to understanding what is ethical or unethical.

100) Academic misconduct is not pervasive in Canada. Do you agree or disagree? Why?

Answer: Answers will vary

According to the first major study of academic misconduct in Canada, cheating, deceit, and plagiarism were found to be serious problems. Students admitted to having engaged in some form of misconduct while completing their academic work. Seventy-three percent admitted to "serious" cheating while in high school and 53 percent of undergrads admitted they are still cheating in university.

101) How can an organization improve ethical behaviour?

Answer: Answers will vary

Understanding how people choose their ethical standards and what prompts them to engage in unethical behaviour may reverse the current trend toward unethical behaviour in business. Establishing and enforcing ethical standards and policies within a business can reduce unethical behaviour by defining which activities are acceptable and which are not, and removing the opportunity to act unethically. Codes of ethics and training programs can help the business create a corporate culture that encourages ethical behaviour.

102) Identify the three factors that influence business ethics.

Answer: Answers will vary

Figure 2.2 Three Factors That Influence Business Ethics

[INSERT GRAPHIC]

103) What are the four dimensions of social responsibility?

Answer: Answers will vary

Economic, legal, ethical, and voluntary concerns represent the four dimensions of social responsibility. Earning profits is the foundation of these dimensions and complying with the law is the next step. A business whose sole objective is to maximize profits is not likely to consider its social responsibilities although its activities will probably be legal. Voluntary responsibilities are additional activities that may not be required, but they promote human welfare or goodwill.

104) Provide four arguments in favour of social responsibility.

Answer: Answers will vary

See Table 2.7 — The Arguments for and against Social Responsibility

Business helped to create many of the social problems that exist today, so it should play a significant role in solving them, especially in the areas of pollution reduction and cleanup.

Businesses should be more responsible because they have the financial and technical resources to solve social problems.

As members of society, businesses should do their fair share to help others.

Socially responsible decision making by businesses can prevent increased government regulation.

Social responsibility is necessary to ensure economic survival: If businesses want educated and employed employees, customers with money to spend, and suppliers with quality goods and services in the future to come, they must take steps to help solve the social and environmental problems that exist today.

105) Provide four arguments against social responsibility.

Answer: Answers will vary

See Table 2.7 — The Arguments for and against Social Responsibility

It sidetracks managers from the primary goal of business—earning profits. Every dollar donated to causes or otherwise spent on society's problems is a dollar less for owners and investors.

Participation in social programs gives businesses greater power, perhaps at the expense of particular segments of society.

Some people question whether business has the expertise needed to assess and make decisions about social problems.

Many people believe that social problems are the responsibility of government agencies and officials who can be held accountable by voters.

- 106) Discuss the social responsibility issues related to providing equal opportunities for all employees, regardless of their sex, age, race, religion, or nationality.

Answer: Answers will vary

Women and minorities have been slighted in the past in terms of education, employment, and advancement opportunities.

In some organizations, female employees continue to be paid lower wages and salaries than men in comparable positions.

Women, who continue to bear most child-rearing responsibilities, often experience conflict between those responsibilities and their duties as employees.

Day care has become a major employment issue for women, and more companies are providing daycare facilities as part of their effort to recruit and advance women in the workforce.

Companies are considering alternative scheduling such as flex-time and job sharing to accommodate employee concerns.

Telecommuting has grown significantly over the past five to ten years.

- 107) Discuss the environmental issues managers must confront in dealing with social responsibility issues.

Answer: Answers will vary

Managers today must consider the consequences of their actions on the environment as a part of social responsibility. One area of concern is the controversial business practice of animal testing in cosmetics and drugs. Business practices that harm endangered wildlife and their habitats are an environmental issue. Businesses must also be concerned with their contributions to air, water, and land pollution as a result of their operations. In response to these concerns, many firms are trying to eliminate wasteful practices, the emission of pollutants, and/or the use of harmful chemicals from their manufacturing processes.

Answer Key

Testname: UNTITLED2

- 1) TRUE
- 2) FALSE
- 3) FALSE
- 4) TRUE
- 5) TRUE
- 6) FALSE
- 7) FALSE
- 8) TRUE
- 9) FALSE
- 10) False
- 11) True
- 12) TRUE
- 13) FALSE
- 14) TRUE
- 15) TRUE
- 16) FALSE
- 17) TRUE
- 18) TRUE
- 19) FALSE
- 20) FALSE
- 21) TRUE
- 22) TRUE
- 23) TRUE
- 24) FALSE
- 25) FALSE
- 26) TRUE
- 27) TRUE
- 28) TRUE
- 29) FALSE
- 30) TRUE
- 31) TRUE
- 32) FALSE
- 33) TRUE
- 34) FALSE
- 35) FALSE
- 36) TRUE
- 37) TRUE
- 38) FALSE
- 39) TRUE
- 40) FALSE
- 41) TRUE
- 42) FALSE
- 43) FALSE
- 44) TRUE
- 45) B
- 46) A
- 47) D
- 48) D
- 49) E

Answer Key

Testname: UNTITLED2

- 50) D
- 51) D
- 52) C
- 53) A
- 54) E
- 55) A
- 56) C
- 57) E
- 58) D
- 59) E
- 60) C
- 61) A
- 62) D
- 63) E
- 64) D
- 65) C
- 66) D
- 67) E
- 68) E
- 69) A
- 70) E
- 71) C
- 72) C
- 73) B
- 74) C
- 75) D
- 76) C
- 77) B
- 78) B
- 79) B
- 80) E
- 81) A
- 82) B
- 83) A
- 84) C
- 85) E
- 86) B
- 87) C
- 88) A
- 89) A
- 90) D
- 91) B
- 92) E
- 93) E
- 94) E

95) Answers will vary

Business ethics refers to principles and standards that define acceptable behaviour in business organization: the context of an organization, ethics relate to an individual's or a work group's decisions that society evaluates as right or wrong.

96) Answers will vary

Although many people use the terms social responsibility and ethics interchangeably, they do not mean the same thing. Business ethics relate to an individual's or a work group's decisions that society evaluates as right or wrong, whereas social responsibility is a broader concept that concerns the impact of the entire business's activities on society.

97) Answers will vary

The Occupy Movement can be described as a global protest against social and economic inequality. Protestors believe that global corporations (notably financial institutions and wealthy individuals) have an undue influence in politics leading to economic and social problems that undermine democracy. The movement, which originated in New York, spread quickly throughout North America as protestors built highly visible areas such as in public parks or in front of government buildings. Today, people in the movement claim they are still working on ending economic disparity and note several political themes, including higher minimum wage and the focus of politicians working for the "other 99 percent" of Canadians and not the top 1 percent" was a direct result of the movement.

98) Answers will vary

General ethical issues include conflicts of interest that exist when people must choose whether to advance their own interests or those of others. Fairness and honesty relate to the general values of decision makers. Communication is another area in which ethical concerns may arise. The behaviour of businesspersons toward customers, suppliers, and others in their workplaces may also generate ethical concerns.

99) Answers will vary

In Canada, for example, it would be inappropriate for a businessperson to bring an elaborately wrapped gift to a prospective client on their first meeting—the gift could be viewed as a bribe. In Japan, however, it is considered impolite not to bring a gift. Experience with the culture in which a business operates is critical to understanding what is ethical or unethical.

100) Answers will vary

According to the first major study of academic misconduct in Canada, cheating, deceit, and plagiarism were the most serious problems. Students admitted to having engaged in some form of misconduct while completing their academic work. Seventy-three percent admitted to "serious" cheating while in high school and 53 percent of undergrads admitted they are still cheating in university.

101) Answers will vary

Understanding how people choose their ethical standards and what prompts them to engage in unethical behaviour may reverse the current trend toward unethical behaviour in business. Establishing and enforcing ethical standards and policies within a business can reduce unethical behaviour by describing which activities are acceptable and which are not, and removing the opportunity to act unethically. Codes of ethics and training programs can help the business create a corporate culture that encourages ethical behaviour.

102) Answers will vary

Figure 2.2 Three Factors That Influence Business Ethics

[INSERT GRAPHIC]

103) Answers will vary

Economic, legal, ethical, and voluntary concerns represent the four dimensions of social responsibility. Earning profits is the foundation of these dimensions and complying with the law is the next step. A business whose objective is to maximize profits is not likely to consider its social responsibility, although its activities will be legal. Voluntary responsibilities are additional activities that may not be required, but they promote human welfare or goodwill.

104) Answers will vary

See Table 2.7 — The Arguments for and against Social Responsibility

Business helped to create many of the social problems that exist today, so it should play a significant role in solving them, especially in the areas of pollution reduction and cleanup.

Businesses should be more responsible because they have the financial and technical resources to help solve social problems.

As members of society, businesses should do their fair share to help others.

Socially responsible decision making by businesses can prevent increased government regulation.

Social responsibility is necessary to ensure economic survival: If businesses want educated and healthy employees with money to spend, and suppliers with quality goods and services in years to come, they must take steps to help solve the social and environmental problems that exist today.

105) Answers will vary

See Table 2.7 — The Arguments for and against Social Responsibility

It sidetracks managers from the primary goal of business—earning profits. Every dollar donated to social causes otherwise spent on society's problems is a dollar less for owners and investors.

Participation in social programs gives businesses greater power, perhaps at the expense of particular segments of society.

Some people question whether business has the expertise needed to assess and make decisions about social problems.

Many people believe that social problems are the responsibility of government agencies and officials, who are held accountable by voters.

106) Answers will vary

Women and minorities have been slighted in the past in terms of education, employment, and advancement opportunities.

In some organizations, female employees continue to be paid lower wages and salaries than men in comparable positions.

Women, who continue to bear most child-rearing responsibilities, often experience conflict between those responsibilities and their duties as employees.

Day care has become a major employment issue for women, and more companies are providing daycare facilities as part of their effort to recruit and advance women in the workforce.

Companies are considering alternative scheduling such as flex-time and job sharing to accommodate employees' concerns.

Telecommuting has grown significantly over the past five to ten years.

107) Answers will vary

Managers today must consider the consequences of their actions on the environment as a part of their social responsibility. One area of concern is the controversial business practice of animal testing for cosmetics and pharmaceuticals. Business practices that harm endangered wildlife and their habitats are another environmental issue. Businesses must also be concerned with their contributions to air, water, and land pollution as a result of their operations. In response to these concerns, many firms are trying to eliminate wasteful practices, the emission of pollutants, and/or the use of harmful chemicals from their manufacturing processes.