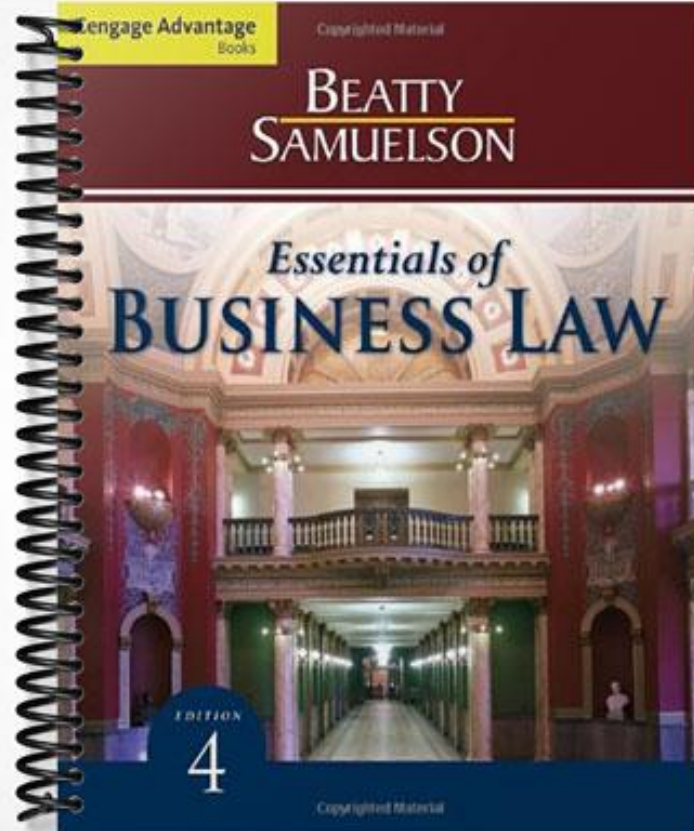


TEST BANK



CHAPTER 2 - BUSINESS ETHICS AND SOCIAL RESPONSIBILITY

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1. Ethics is the study of how people should act.

True False

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True False

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True False

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True False

11. Wever, Inc. is considering relocating a facility to Mexico. The interests of the various stakeholders affected by this decision may conflict.

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12. In analyzing ethical dilemmas using the ethics checklist presented in the textbook, it is best to narrow your focus to encompass only one or two major issues.

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14. Because of the increasing medical concern over obesity in the United States, federal regulation of advertising has effectively reduced to one-tenth of all advertising during children's television programs advertisements for foods high in fat, sugar, and salt and low in nutrition.

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16. In analyzing a situation to determine how to act ethically, a business manager should:

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- A. Society as a whole benefits from ethical behavior.
- B. People feel better when they behave ethically.
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21. Which of the following values are considered almost universal?

- A. Courage.
- B. Compassion.
- C. Integrity.
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22. Which of the following are alternatives in dealing with issues of ethics in advertising?

- A. Try, in a general way, to minimize racism, sexism, and other exploitation.
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32. Frank is the director of quality control. He rejected some parts as non-conforming to the specifications. However, he is told by his to accept the parts. Which value might give Frank the strength to oppose his supervisor?

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43. Identify and discuss six values that are almost universal.

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45. Define and discuss the concept of stakeholder.

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- What are the facts?
- What are the critical issues?
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- What are the alternatives?
- What are the ethical implications of each alternative?
- Is it legal?
- How would it look in the light of day?
- What are the consequences?
- Does it violate important values?

- What kind of world would this be if every one behaved this way?

- Is more than one alternative right?

- Which values are in conflict?

- Which of these values are most important?

- Can you find an alternative that is consistent with your values?

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· What kind of world would this be if everyone behaved this way?

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- Can you find an alternative that is consistent with your values?

43. Identify and discuss six values that are almost universal.

The six universal values discussed in the textbook are:

- (a) Compassion. Compassion means being aware of and concerned about other people's feelings, desires, and needs. A compassionate person is able to imagine how he would feel in someone else's place and to react accordingly.
- (b) Courage. Courage is the strength to act even if danger exists and the person is fearful.
- (c) Fairness. Fairness requires that decisions be made without fraud, prejudice, or favoritism.
- (d) Integrity. This quality means being sincere, honest, and loyal.
- (e) Responsibility. Responsibility means being trustworthy and dependable. A responsible person meets commitments and lives up to promises.
- (f) Self-control. A person with self-control is able to resist temptation and does not over-indulge.

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- Which of these values are most important?

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45. Define and discuss the concept of stakeholder.

Stakeholders are all the people potentially affected by the decision. That list might include subordinates, bosses, shareholders, suppliers, customers, members of the community in which the business operates, society as a whole, or even more remote stakeholders, such as future generations. The interests of these stakeholders often conflict. For example, current shareholders may benefit from a company's decision to manufacture a product harmful for the environment whereas future generations are left to contend with a potential environmental nightmare.