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FIRST OPPORTUNITY EXAMINATION PAPER

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**THIS EXAMINATION PAPER CONSISTS OF 8 PAGES
(INCLUDING THIS FRONT PAGE)**

INSTRUCTIONS

1. Answer **all questions**.
2. Read all the questions carefully before answering.
3. Marks for each question are indicated at the end of the question.
4. Please ensure that your writing is legible, neat and presentable.

SECTION A

[50 marks]

Question 1

[20 x 2 = 40 marks]

Choose the correct option and indicate your choice (A-D) next to the appropriate number in the examination book provided. For example 1. B.

- 1.1 When ethical relativism is put into practice, it implies that
- A. societies never share any moral values in common.
 - B. in ethics, sometimes the minority is right.
 - C. we cannot say that slavery is wrong if the society in question believes it is right.
 - D. as societies evolve, their morality improves.
- 1.2 According to traditional utilitarianism, an action is morally right if and only if
- A. it makes the person who does it happy.
 - B. everyone prefers that action to any other action.
 - C. it maximizes total, net happiness.
 - D. it brings only happiness and causes no pain.
- 1.3 The ideology of Marxism states:
- A. capitalism leads to a concentration of property and thus a concentration of resources and power in relatively few hands.
 - B. socialism will eventually be replaced by financial capitalism.
 - C. the means of production should be placed under the control of the bourgeoisie.
 - D. only workers who are poorly paid in a capitalist system are alienated.
- 1.4 In determining the morality of giving and receiving gifts in a business situation, which of the following factors is MOST relevant?
- A. The purpose of the gift and whether the gift might influence the recipient's judgment.
 - B. The size of the business giving the gift.
 - C. Whether the company receiving the gift is privately held or publicly held.
 - D. All of the above.
- 1.5 A whistle-blower
- A. doesn't have to be a past or present member of the organization.
 - B. doesn't have to report activity that is illegal, immoral, or harmful.
 - C. is any employer who spreads gossip for personal gain.
 - D. far from being disloyal, may be acting in the best interest of the organization.
- 1.6 The most accurate statement about workplace safety is:
- A. workers are often unaware of the hazards they face on the job
 - B. employees, not their employers, are responsible for creating a safe workplace
 - C. according to experts, industrial accidents "just happen"
 - D. Occupational Health and Safety is not an issue in Namibia
- 1.7 Advocates of "comparable worth",
- A. simply want equal pay for the same job.
 - B. base their doctrine on the free-market determination of wages.
 - C. believe it is necessary for getting rid of sexual harassment.
 - D. believe women and men should be paid on the same scale for doing equivalent jobs and different jobs involving equivalent skill, effort, and responsibility.

- 1.8 Which of the following statements is accurate?
- A. Men cannot be victims of sexual harassment.
 - B. The law treats sexual harassment as a form of sexual discrimination.
 - C. Only beautiful women are sexually harassed.
 - D. Differences in levels and types of education explain why, on the average, men earn more than women.
- 1.9 According to the text book, job discrimination occurs when
- A. An employment decision in some way harms or disadvantages an employee or a job applicant.
 - B. The decision is based on the person's membership in a certain group rather than on individual merit.
 - C. The decision rests on prejudice, false stereotypes, or the assumption that the group in question is in some way inferior and thus does not deserve equal treatment.
 - D. All of these choices are correct.
- 1.10 As they try and fit into a work world dominated by white men, women and people from previously disadvantaged groups, can be disadvantaged by
- A. false preconceptions.
 - B. stereotypes.
 - C. prejudiced attitudes.
 - D. all of these can be a disadvantage.
- 1.11 _____ involves transactions across national boundaries. It is a practice that brings together people who have different cultures, values, laws, and ethical standards.
- A. Socialism
 - B. Globalization
 - C. Capitalism
 - D. Ethical relativism
- 1.12 Imagine a shopkeeper who is honest because being honest is good for business. When the shopkeeper refrains from cheating a customer, Kant would say this action
- A. was wrong because its motive was impure.
 - B. displayed a high level of moral worth.
 - C. was in accordance with duty, but not done from duty.
 - D. shows that he was following the categorical imperative.
- 1.13 For years Bayer aspirin advertised that it contained "the ingredient doctors recommend most." This is an example of:
- A. The social effects of advertising
 - B. The effect of advertising on consumers desires
 - C. The effect of advertising on consumer's beliefs
 - D. None of the above
- 1.14 According to JK Galbraith and others regarding advertising and the creation of consumer desires,
- A. production depends upon wants.
 - B. advertising depends on the wants of the consumer.
 - C. consumer demand tends to be shaped by the production process.
 - D. advertising depends on consumerism.

- 1.15 At a company, employees post sexually oriented pictures and tell inappropriate jokes even though some employees have reported being offended. This amounts to _____ .
- A. ethical relativism
 - B. prisoner's dilemma
 - C. a hostile work environment
 - D. None of the above
- 1.16 Examples of negative and positive rights:
- A. Negative rights; right to medical care
 - B. Positive rights; right to family
 - C. A & B
 - D. None of the above
- 1.17 In Locke's state of nature the following statements are true except:
- A. All people are free and equal.
 - B. Each person owns his body and labour.
 - C. People agree to form governments to protect their right to freedom and property.
 - D. The material and social controls that the society uses to produce its economic goods should be in the hands of the government.
- 1.18 Many economists now advocate retaining the market system and private property while modifying their workings through government regulation. This is known as a:
- A. Pure capitalist economy
 - B. Revolutionary economy
 - C. Mixed economy
 - D. Free market economy
- 1.19 What level of Kohlberg's moral reasoning have people reached when they set their own internal standards for behaviour?
- A. Post-conventional
 - B. Conventional
 - C. Pre-conventional
 - D. Instrumental
- 1.20 Which statement correctly characterizes moral rights?
- A. Moral rights provide individuals with autonomy.
 - B. Moral rights exist independent of duties.
 - C. The gains of others justify interference with a person's activity, even if that pursuit is protected by a moral right.
 - D. Moral rights provide a basis for justifying one's actions, but not for invoking the protection of others.

Question 2**[1 X 10 = 10 Marks]**

Indicate whether the following statements are True or False in the examination booklet provided.

No.	Statement
2.1	Privacy is widely acknowledged today to be a fundamental right.
2.2	Rules of etiquette are always moral rules.
2.3	The only true form of job discrimination is intentional and individual.
2.4	Strict product liability is the doctrine that the seller of a product has legal responsibilities to compensate the user of that product for injuries suffered due to a defective aspect of the product, even though the seller has not been negligent in permitting that defect to occur.
2.5	Insider trading is the buying or selling of shares by business "insiders" on the basis of information that has not yet been made public and is likely to affect the price of the shares.
2.6	A conflict of interest arises when an employee has private interests that are substantial enough to interfere with his or her job duties.
2.7	Subliminal advertising is advertising that supposedly communicates at a level beneath our conscious awareness.
2.8	According to Virtue Ethics, the key to making a personal quality such as generosity part of your character is to practice it consistently.
2.9	How mitigating a factor such as uncertainty is depends on the seriousness of the harm or wrong done.
2.10	A DVD player is an intrinsic good.

SECTION B

Question 3

[26 Marks]

A student defined utilitarianism as: "Utilitarianism is the view that so long as an action provides me with more measurable economic benefits than costs, the action is morally right."

3.1 Do you agree or disagree with this definition? Motivate your answer. (3)

A growing number of businesses—including videogame developers, cigarette companies, soft drink producers, liquor marketers, and fast food chains—are feeling the heat from government, the press, and society at large for encouraging harmful consumer habits. But in our economy, people are free to choose the products they consume (within legal boundaries, of course). The question is: Where does personal responsibility end and corporate responsibility begin? Three different theories on the ethical duties of manufacturers have been developed, each of which strikes a different balance between consumers' duty to protect themselves and the manufacturer's duty to protect consumers.

3.2 Critically discuss these theories. (13)

3.3 In dealing with job discrimination, there are practices widely recognized as having discriminatory outcomes and business managers should strive to avoid them in order to ensure that their companies are not engaged in discrimination. Identify and describe these discriminatory practices. (10)

SECTION C

Question 4

[24 Marks]

Read the case study and answer questions 4.1 and 4.2

Hollard, Santam admit self-serving act

by Nghinomenwa Erastus

News - National | 2019-07-25

TWO of the biggest short-term insurers in Namibia, Santam and Hollard, have admitted colluding by setting prices for panel beaters, disadvantaging consumers and lessening business competition in the country. The Namibian Competition Commission (NaCC) revealed this yesterday after slapping the two firms with a N\$20,5 million fine for their anti-competitive behaviour.

Santam Namibia is 28% owned by the Capricorn Group and Santam South Africa, while Hollard is the Namibian subsidiary of Hollard Holdings, a subsidiary of one of South Africa's privately owned insurance groups with turnover of over N\$15 billion. NaCC director of the enforcement, exemptions and cartels division, Nangosora Tjipitua said Santam was slapped with a N\$15 million fine, while Hollard was fined N\$5,5 million. Tjipitua did not explain why Hollard received lesser punishment.

She stated that the two insurance companies admitted engaging in restrictive practices which disadvantaged those consumers who had taken out vehicle insurance with them, and panel beaters who were not complying with their orders. "Both Santam and Hollard have admitted to an unintended contravention of section 23 of the Competition Act," she said.

"The NaCC confirms that it has concluded settlement agreements with Santam Namibia Ltd and Hollard Insurance Company of Namibia Ltd in respect of an investigation relating to alleged price-fixing in contravention of the Competition Act, Act 2 of 2003 (Competition Act)," she explained. Section 23 of the Competition Act prohibits any decision by service providers/suppliers in the same industry which reduces competition among firms.

Tjipitua said the two firms directly or indirectly colluded and set the mark-up on the costs of panel beating vehicles involved in accidents. This conduct prevented panel beaters from participating in the market if they could not adhere to the mark-up price set up by the colluding firms, eventually lessening competition. The colluding insurance companies also chose where the vehicles would be fixed, depending on the panel beaters agreeing to the recommended mark-up. This was contrary to letting a vehicle owner choose the service provider, depending on the affordability of the available panel beater, as the competition law stipulates.

She furthermore explained that the settlement agreements are the result of an investigation against more than six companies, including Santam, Hollard as well as Old Mutual Short-Term Insurance Company (Namibia) Ltd, Outsurance Insurance Company of Namibia Ltd, Phoenix Namibia Assurance Company Ltd, Alexander Forbes Insurance and Momentum Short-Term Insurance Ltd.

Tjipitua indicated that as a result of the preliminary findings, Hollard and Santam have reported themselves to the commission, and confirmed that they engaged in actions which favoured their own interests at the expense of vehicle owners and panel beaters. "The commission will continue to monitor the behaviour of these companies through regular compliance reports to be submitted to the commission," she added.

Source: <https://www.namibian.com.na/191156/archive-read/Hollard-Santam-admit-self-serving-act>

- 4.1 Identify and discuss any five of the anticompetitive practices Hollard and Santam were found guilty of. (15)
- 4.2 Given the investigation into the six insurance companies in Namibia, it appears that an oligopoly is present. What are the ethical weaknesses of oligopolies? (9)