



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

CENTRE FOR ENTERPRISE DEVELOPMENT (CED)

QUALIFICATION CODE: 06DBPM	LEVEL: 6
COURSE CODE BBE612C	COURSE NAME: BUSINESS ETHICS
DATE: JUNE 2022	MODE: PM
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	Ms O.N Kangandjo
MODERATOR:	Ms J Hambabi

INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number the answers clearly.

PERMISSIBLE MATERIALS

1. Examination paper
2. Examination script

THIS QUESTION PAPER CONSISTS OF 8 PAGES (INCLUDING THIS FRONT PAGE)

SECTION A

Question 1

[2x20=40 Marks]

Multiple choice questions from 1 – 20. Indicate the letter of the correct answer next to the corresponding question number. For example, 1.2 d.

- 1.1 What is job discrimination?
- a. To make positive decisions against employees who belong to a certain class because of morally unjustified prejudice toward members of that particular class.
 - b. To make a good decision against employees who belong to a certain class because of morally unjustified prejudice toward members of that particular class.
 - c. To make an adverse decision against employees who belong to a certain class because of morally justified prejudice toward members of that particular class.
 - d. To make an adverse decision against employees who belong to a certain class because of morally unjustified prejudice toward members of that particular class.
- 1.2 Which one is not an argument against discrimination?
- a. Utilitarian argument
 - b. Rights argument
 - c. Justice argument
 - d. Affirmative argument
- 1.3 The following are characteristics of monopoly market except:
- a. One seller
 - b. Quantity below equilibrium
 - c. Prices above equilibrium and supply curve
 - d. No barriers to entry
- 1.4 According to the central doctrine of John Keynes and his followers,
- a. People are naturally unselfish and idealistic.
 - b. Government regulation of markets is necessary to ensure distributive justice.
 - c. Free markets regulate production & exchange of economic goods "as if by an invisible hand."
 - d. Governmental intervention in markets helps moderate the ups and downs of the business cycle.
- 1.5 Fish Delish is chain of food stores whose major product is fish. Fish Delish would sell a franchise license to a person only if the person also agreed to purchase a certain number of cookers, fryers, and other supplies. This is an example of:
- a. Tying arrangement
 - b. Exclusive dealing arrangement
 - c. Retail price maintenance agreement
 - d. Manipulation of supply

- 1.6 If Toyota raises the prices of its new models of pickup trucks by 4 percent and General Motors and Ford follow by raising prices by a similar amount, then this is evidence of:
- a monopoly.
 - an oligopoly
 - pure competition
 - monopolistic competition.
- 1.7 Which of the following is NOT a valid criticism on the ethics of advertising?
- Advertising uses images that many find vulgar and offensive
 - Advertising debases the tastes of consumers
 - Advertising is wasteful
 - Advertising promotes perfect competition
- 1.8 Which of the following makes freedom of choice impossible?
- Information
 - Probability
 - Misrepresentation
 - Ignorance
- 1.9 Under strict liability, which of the following is true?
- Absence of negligence or having exercised "due care" excuses the producer from liability for damages caused by their products.
 - Absence of knowledge of the product's potential for the harmful effects excuses the producer from liability for these harmful effects.
 - Both of the above.
 - None of the above
- 1.10 Major difficulties with utilitarianism:
- Unable to deal with moral issues relating to rights and justice.
 - Its reliance on accurate measurements.
 - All of the above.
 - None of the above.
- 1.11 The following is not a form of discrimination:
- isolated and intentional discrimination
 - isolated and unintentional discrimination
 - institutional and unintentional discrimination
 - isolated and institutional discrimination
- 1.12 Ethical violations destroy:
- nothing.
 - jobs.
 - trust.
 - Profits

- 1.13 According to Adam Smith, what should a government that hopes to advance the public welfare do?
- Institute welfare and healthcare systems.
 - Regulate markets thoroughly.
 - Regulate markets only when necessary.
 - Nothing.
- 1.14 The concept that there are no relevant differences among people that can justify unequal treatment is known as?
- Egalitarianism
 - Utilitarianism
 - Socialism
 - None of the above
- 1.15 Which of the following is a “socialist” criticism challenging Adam Smith’s fundamental assumptions.
- People aren't naturally selfish; it's the capitalist system that makes them so.
 - Free markets clearly violate capitalism’s own contribution-based principles of distributive justice.
 - Free markets always give rise to governmental interference by their very nature.
 - All of the above.
- 1.16 In Karl Marks’ view, how many sources of income do Capitalist systems offer?
- 2
 - 0
 - 4
 - 1
- 1.17 An approach to moral judgment that emphasis that we should cultivate loving and caring relationships in our conduct instead of relying on abstract concepts and principles.
- Retributive Justice
 - Ethics of Care
 - Utilitarianism
 - Virtue Ethics
- 1.18 _____ stated that by directing (his)industry in such a manner as its produce may be of the greatest value (the individual) intends only his gain, and he in his, as in many other cases led bay an invisible hand to promote an end that was no part of his intention.
- Immanuel Kant
 - David Ricardo
 - John Locke
 - Adam Smith

- 1.19 According to Locke, the power of government should be
- a. Expanded to meet the needs of all citizens
 - b. Limited, extending only far enough to protect the basic rights of all citizens.
 - c. Expanded to meet the needs of corporations
 - d. Limited, extending only far enough to protect the basic rights of corporations
- 1.20 To increase job satisfaction, jobs must be expanded along all of the following dimensions, except:
- a. Task identity
 - b. Task complexity
 - c. Task significance
 - d. Feedback

Question 2**[10 Marks]**

Indicate whether the following statements are True or False. Answer all the questions in the answer booklet provided. Indicate true or false next to the corresponding number(s)

2.1	The prisoner's dilemma demonstrates that cooperation is not more advantageous than continuously trying to cooperate with others, at least when we will meet these others again.
2.2	Getting others to understand and support one's idea before a meeting is called an act of political tactic.
2.3	Categorical imperative is the requirement that I must act such that the maxim of my action could be made universal law (or the requirement that in acting I always treat others as ends in themselves and never as a means to an end).
2.4	In the market approach to consumer protection, if consumers do not place a high value on safety (or are unwilling to pay for it), then it is wrong to force them to accept higher levels of safety through regulation).
2.5	Perfectly competitive markets are regarded to be just because under perfect competition, no one can significantly affect prices of goods exchanged.
2.6	Intrinsic goods are things that are desired for their own sake, such as health and life.
2.7	Distributive justice and compensatory justice deal with how best to deal with wrongdoers.
2.8	Contractual rights and duties are for the society as a whole.
2.9	Affirmative action is when preferential treatment in hiring , promotion, and dismissal favoring historically disadvantaged groups in an attempt to offset lingering effects of past discrimination and to counteract continuing unintentional and institutional discrimination: called "reverse discrimination" by detractors.
2.10	The "Anti-trust' view on how governments should deal with oligopoly corporations is that it should not be broken up.
	Total 10 Marks

SECTION B

Question 3

[30marks]

- 3.1 Arguments against discrimination are generally grouped in three moral principles. Outline and explain each group's argument against discrimination. (9)
- 3.2 Perfectly competitive free markets are desirable from a moral point of view. Describe the characteristics that define such markets. (7)
- 3.3 Why did theorists come up with rule utilitarianism? (4)
- 3.4 The fact that political tactics are usually covert means that they can easily become deceptive or manipulative and therefore unethical. Identify three examples of political tactics used in organizations. (6)
- 3.5 A dishwasher knows that the restaurant's chef typically reheats three to four day old food and serves it as fresh to customers. Since she believes that the serving of old food is injurious to the society, she reported the matter to the manager and the manager told her to forget about it. As an employee with a sense of moral responsibility, what should she do? (4)

Question 4

[20 Marks]

Read the case below and answer the questions that follow.

Air Namibia suspected of anticompetitive pricing

The Namibian Competition Commission has tentatively ruled that Air Namibia (SW, Windhoek Int'l) has been abusing its market position by setting prices on its trunk Windhoek Int'l-Cape Town route below costs to drive out competitors, The Namibian has reported.

The finding is preliminary and still subject to appeals both from the carrier and from other affected parties. If found guilty, Air Namibia would face a penalty up to 10% of its global annual revenue. The NCC also has the authority to order the carrier to change its pricing.

"The aligning of Air Namibia's prices below its costs is abusive, regardless of whether Air Namibia's pricing was meant at matching the pricing of its competitors. Air Namibia's pricing conduct is, therefore, anti-competitive, and has stifled innovation and decreased consumer choice," the NCC said.

The NCC further stated that Air Namibia uses state subsidies to effectively engage in price dumping, as it faces no economic incentive to post operating profits.

The ruling comes after South Africa's Airlink (South Africa) (4Z, Johannesburg O.R. Tambo), which has been flying between Windhoek and Cape Town under a franchise agreement with South African Airways since 2014, complained about the alleged anti-competitive practices.

Air Namibia said that it was disappointed by the verdict and would submit oral and written appeals.

Source: <https://www.ch-aviation.com/portal/news/71277-air-namibia-suspected-of-anticompetitive-pricing>

- 4.1 In your view, which specific anti-competitive practice is Air Namibia accused of? Motivate your answer. (4)
- 4.2 Discuss five of the other anticompetitive practices managers of oligopolies and monopolies use that injure society and can unfairly destroy smaller competitors. (10)
- 4.3 State the three views on public policy in the face of highly concentrated oligopolistic industries? (6)

END OF QUESTION PAPER.