



**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

FIRST OPPORTUNITY EXAMINATION PAPER	
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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

[20 x 2 = 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 Which of the following issues is not investigated by Business Ethics?
- A. Public Education issues
 - B. Systemic issues
 - C. Corporate issues.
 - D. Individual issues.
- 1.2 Moral standards can be distinguished from non-moral standards using the following characteristics:
- A. They deal with matters that can seriously injure or benefit humans.
 - B. Are not established or changed by authoritative bodies.
 - C. They are based on impartial considerations.
 - D. All the above
- 1.3 Example of negative rights:
- A. Right to privacy
 - B. Right to medical care
 - C. None of the above
 - D. All of the above
- 1.4 Which statement is not true of Kant's categorical imperative:
- A. We should act only on maxims that can be universally accepted and acted upon.
 - B. The inability to universalize the maxim of an act may sometimes be ignored if the act in question will produce the greatest good for the greatest number.
 - C. Universalization of maxims prohibits us from giving our personal point of view privileged status over the points of view of others.
 - D. Our fundamental ethical duty is to treat other human beings as autonomous persons who may choose their own ends and purposes, not simply as means for the ends of others.
- 1.5 Which statements are characteristic of Virtue Ethics?
- A. Our character traits are easily modified, almost on a day-to-day basis if we so choose.
 - B. Even if a person is caring, empathetic, charitable and sympathetic, the challenge of excessive self-interest is still a factor in his or her decision-making.
 - C. All of the above.
 - D. None of the above.

- 1.6 According to **John Locke** or his followers,
- A. free markets are best because of their superior productivity and efficiency.
 - B. free markets are best because they best preserve negative liberty and property rights.
 - C. since free markets violate positive health and welfare rights they should be eliminated.
 - D. governments have an unlimited moral authority to regulate commerce and trade.
- 1.7 Immorality of sexual harassment:
- A. inflicts psychological harm on the harassed individual.
 - B. Is an unjust use of the unequal power that an employer or supervisor wields over an employee.
 - C. None of the above.
 - D. A and B
- 1.8 "It might be true that society as a whole would benefit by having some group discriminated against" is a/an _____ argument for discrimination.
- A. Kantian
 - B. Capitalist
 - C. Utilitarian
 - D. Communist
- 1.9 In this view, the employee's main moral duty is to work toward the goals of the firm. This view is referred to as:
- A. Law of Legitimacy
 - B. Law of Structure
 - C. Law of Agency
 - D. Law of Duty
- 1.10 Risks are sometimes unavoidable and acceptable, as long as:
- A. Employees are not coerced
 - B. Employees are fully compensated for assuming them and they do so freely and knowingly
 - C. No one else has the expertise to do the work
 - D. All the above
- 1.11 Institutionalised discrimination:
- A. is based on the prejudices or morally offensive attitudes shared by a group.
 - B. is always intentional
 - C. can be the act of a single individual
 - D. all of the above

- 1.12 Which statement does not describe an ethical rule governing contracts
- A. Both parties to a contract must have full knowledge of the agreement.
 - B. Neither party to a contract must intentionally misrepresent the facts.
 - C. The contract must not bind the parties to an immoral act.
 - D. Contracts must bind individuals or agents only; they do not apply to governments.
- 1.13 Under strict liability, which of the following is true?
- A. Absence of negligence or having exercised "due care" excuses the producer from liability for damages caused by their products.
 - B. Absence of knowledge of the product's potential for the harmful effects excuses the producer from liability for these harmful effects.
 - C. Both of the above.
 - D. None of the above
- 1.14 Which of the following questions are addressed by all economic systems?
- A. What goods and services should be produced?
 - B. How much of each good and service should be produced?
 - C. How should the goods and services be distributed?
 - D. All of the above.
- 1.15 Kevin and his friends dislike their seventh-grade math teacher. They decide to scratch his car in the school parking lot. Kevin knows that this is wrong but doesn't want his friends to think he isn't part of their group. According to Kohlberg, what stage of moral reasoning is Kevin in?
- A. Law and Order Orientation
 - B. Social Contract Orientation
 - C. Punishment and Obedience Orientation
 - D. Interpersonal Concordance Orientation
- 1.16 Business Ethics advocates that when corporate organizations commit moral or immoral acts the following should happen
- A. Human individuals should be held responsible because they are the primary carriers of moral duties and moral responsibilities.
 - B. Corporate organizations should be held responsible in the secondary sense.
 - C. A & B
 - D. None of the above

- 1.17 Seniority based promotion and lay-off practices, according to Velasquez,
- A. are illegal in most jurisdictions.
 - B. being race and sex neutral have no discriminatory effects.
 - C. are race neutral but not sex neutral.
 - D. tend to perpetuate inequities caused by past discrimination
- 1.18 Ethical violations destroy:
- A. nothing.
 - B. jobs.
 - C. trust
 - D. profits
- 1.19 A firm's main moral duty to its employees is to provide them with:
- A. clean working environment
 - B. friendly supervisors
 - C. medical and dental insurance
 - D. fair wage and fair working conditions
- 1.20 The most fascinating argument for bringing ethics into business is the prisoner's dilemma.
- A. If both choose not to cooperate, neither gets the benefit.
 - B. If one cooperates while the other chooses not to cooperate, the one who cooperates suffers a loss while the one who chooses not to cooperate gains a benefit.
 - C. All of the above.
 - D. None of the above.

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	Supply and demand regulates production and exchange in a free market, according to Adam Smith
2.2	David Ricardo presented the theory of absolute advantage.
2.3	Advertising is a massive multi-billion-dollar-a-year industry whose costs are ultimately borne by the business firms who produce the advertised products.
2.4	According to Karl Marx, the actual function that governments have served in capitalist economies is that of protecting the interests of the ruling economic class.
2.5	Negative rights are defined entirely in terms of the duties others have not to interfere with you.
2.6	The second stages of moral development are known as the conventional stages.
2.7	By obeying the law you are being ethical.
2.8	A person is morally responsible for an injury if a person did not inflict the injury or the wrong out of his own free will.
2.9	The extents to which mitigating circumstances can diminish an agent's responsibility depend on the lightness of the injury.
2.10	A video machine is an intrinsic good.
	Total 10 Marks

SECTION B

Question 3

[40 Marks]

- 3.1 The fact that political tactics are usually covert means that they can easily become deceptive or manipulative and therefore unethical. Identify five examples of political tactics used in organizations. (10)
- 3.2 Employees have some rights, in any case. Because of technical innovations, the right to privacy is under attack more than ever before. Employees' rights to privacy must be balanced against employers' rights to know certain information about their activities. Three elements are relevant when considering this balance, what are they? (6)
- 3.3 The most common criticism of advertising concerns is its effect on the consumer's beliefs, because advertising is a form of communication, it can be as truthful or deceptive as any other form of communication. In what ways can advertising be deceptive? (16)
- 3.4 A dishwasher knows that the restaurant's chef typically reheats three or 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? (5)
- 3.5 When one deliberately keeps oneself ignorant to escape responsibility, that ignorance does not excuse the wrongful injury. When is a person morally responsible for an injury or a wrong? (3)

Question 4

[10 Marks]

Read the case below and answer the questions below the case

Polluters Dilemma

Jonica Gunson is the environmental compliance manager for a small plastics manufacturing company. She is currently faced with the decision whether or not to spend money on new technology that will reduce the level of a particular toxin in the wastewater that flows out the back of the factory and into a lake.

The factory's emission levels are already within legal limits. However, Jonica knows that environmental regulations for this particular toxin are lagging behind scientific evidence. In fact, a scientist from the university had been quoted in the newspaper recently, saying that if emission levels stayed at this level, the fish in the lakes and rivers in the area might soon have to be declared unsafe for human consumption.

Further, if companies in the region don't engage in some self-regulation on this issue, there is reason to fear that the government — backed by public opinion — may force companies to begin using the new technology and may also begin requiring monthly emission level reports (which would be both expensive and time consuming).

But the company's environmental compliance budget is tight. Asking for this new technology to be installed would put Jonica's department over-budget, and could jeopardize the company's ability to show a profit this year.

Source: <http://www.businessethics.ca/cases/pollutersdilemma1.html>

4.1 Assess the case from the following perspectives, if the company decides not to spend money on the new technology?

- | | | |
|-----|----------------|-----|
| (a) | Utilitarian | (2) |
| (b) | Kantian rights | (4) |
| (c) | Justice | (2) |
| (d) | Ethics of care | (2) |

END OF QUESTION PAPER