



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS

QUALIFICATION CODE: 06DBPM	LEVEL: 6
COURSE CODE BBE612C	COURSE NAME: BUSINESS ETHICS
DATE: JUNE 2025	MODE: PM
DURATION: 3 HOURS	MARKS: 100

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

INSTRUCTIONS
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 MEMO CONSISTS OF 7 PAGES (INCLUDING THIS FRONT PAGE)

SECTION A

Question 1

[15x2=30]

Multiple choice questions from 1.1 – 1.15. Indicate the letter of the correct answer next to the corresponding question number. For example, 1.2 d.

- 1.1 What is the primary function of advertising?
- a. To reduce prices
 - b. To provide information to consumers
 - c. To create monopoly power
 - d. To induce members of the audience to buy the seller's products
- 1.2 Which theory places the greatest responsibility on the consumer for product safety?
- a. Contract theory
 - b. Due care theory
 - c. Social costs view
 - d. Utilitarian theory
- 1.3 What is the main criticism of the market approach to consumer protection?
- a. It assumes consumers have full and perfect information
 - b. It assumes all goods in the market are exactly similar
 - c. It assumes there are numerous buyers and sellers
 - d. All of the above
- 1.4 What is the major criticism of advertising?
- a. It reduces consumer prices
 - b. It wastes valuable resources
 - c. It improves consumer intelligence
 - d. It provides accurate information
- 1.5 Which of the following is NOT a moral duty of a business to its customers under the contract view?
- a. Compliance with the terms of the sales contract
 - b. Disclosure of the nature of the product
 - c. Representation of the product
 - d. No undue influence on the customer
- 1.6 What does the social costs view of the manufacturer's duties entail?
- a. Manufacturers should pay for injuries from product defects regardless of fault

- b. Consumers should bear the costs of injuries from product defects
 - c. Manufacturers should only pay for foreseeable injuries
 - d. Consumers should pay for all injuries
- 1.7 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. a monopoly.
 - b. an oligopoly
 - c. pure competition
 - d. monopolistic competition.
- 1.8 Kant's "Categorical Imperative" incorporates which of the following criteria for determining moral right and wrong?
- a. Reliability and universalizability.
 - b. Universalizability and reversibility.
 - c. Universalizability only.
 - d. Reversibility and reliability.
- 1.9. _____ is a theory that states that different societies have different ethical beliefs.
- a. Moral reasoning
 - b. Business ethics
 - c. Ethical relativism
 - d. Moral responsibility.
- 1.10 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
- 1.11 Major problems with the utilitarian reliance on measurement include:
- a. Comparative measures of the value of things have for different people cannot be made, we cannot get into each other's skins to measure the pleasure or pain caused.
 - b. All benefits and costs are possible to measure.
 - c. The potential benefits and costs of an action cannot always be reliable predicted.
 - d. A and C

- 1.12 Goods desired for their own sake are known as
- a. Public goods
 - b. Merit goods
 - c. Intrinsic goods
 - d. Instrumental goods
- 1.13 The following models describe three degrees of competition in a market, except:
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- a. Perfect competition
 - b. Regulated Monopolies
 - c. Pure monopoly and
 - d. Oligopoly
- 1.14 Which of the following is NOT a moral outcome of perfectly competitive markets?
- a. Justice
 - b. Utility
 - c. Rights
 - d. Faith
- 1.15 The identical pricing of cigarettes by the different major tobacco companies that has gone on since the 1930s without explicit agreements or collusion among the companies involved an example of
- a. price-fixing
 - b. price discrimination
 - c. tying arrangements
 - d. price-setting.

Question 2

[10marks]

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	Deceptive advertising is considered immoral because it violates consumers' rights to choose freely.
2.4	The justice argument claims that discrimination results in an unjust distribution of society's benefits and burdens.
2.5	Sexual harassment is a form of job discrimination
2.6	The political model emphasis on formal relations of authority and division of labor, highlights issues regarding the duties of employee to firm and firm to employee.
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	Distributive justice and compensatory justice deal with how best to deal with wrongdoers
	Total Marks 10

SECTION B

Question 3

[Marks 60]

- 3.1 Define business ethics. (2)
- 3.2 Define ethical relativism. (2)
- 3.3 Arguments against job discrimination are generally grouped in three moral principles. Outline and explain each group's argument against discrimination. (9)
- 3.4 Perfectly competitive markets establish capitalist justice and maximise social utility in a way that respects buyers' and sellers' negative rights. Identify these negative rights. (6)
- 3.5 Advertising is a communication, and just like any other form of communication, it also involves three elements: the author, the medium, and the audience. Using a practical example, illustrate three conditions necessary in making an advert deceptive in the author of a communication. (6)
- 3.6 Theo works in the quality control department of a company that manufactures food products. He discovers that one of the batches of baby food failed safety tests due to possible contamination, but his supervisor instructs him to approve the batch to avoid losses. Theo is conflicted because he knows the batch is unsafe but fears losing his job if he refuses to comply or reports the issue.
- (a) Explain the ethical dilemma that Theo is faced with. (3)
- (b) What would you advise him to do and why? (6)
- 3.7 In dealings with job discrimination, there are practices widely recognised as having discriminatory outcomes and business managers should strive to avoid them to ensure that their companies are not engaged in discrimination. Identify those discriminatory practices. (10)
- 3.8 You are the Human Resource Manager of Turex Pty Ltd. Your niece, who recently graduated from university with a degree in marketing, applied for an entry-level marketing position in your department. She meets all the qualifications for the job.
- (a) What is the moral obligation of the employee to the employer? (4)
- (b) What is the moral obligation of the employer to the employee? (2)

- (c) The mere fact that one of your relatives applied for a position at your company places you as the Human Resource Manager in a dilemma. Name and explain the type of dilemma that you find yourself in. (8)
- (d) How would you handle this dilemma so that you ensure fairness in the recruitment process? (2)

END OF EXAMINATION QUESTION PAPER