



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

**HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS**

<b>QUALIFICATION CODE:</b> 06DBPM	<b>LEVEL:</b> 6
<b>COURSE CODE</b> BBE612C	<b>COURSE NAME:</b> BUSINESS ETHICS
<b>DATE:</b> JUNE 2023	<b>MODE:</b> PM
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>SECOND OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	Ms O.N Kangandjo
<b>MODERATOR:</b>	Ms J Hambabi

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

**PERMISSIBLE MATERIALS**

1. Examination paper
2. Examination script

**THIS QUESTION PAPER MEMO 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 According to the principle of utilitarianism, an action is moral if:
- It produces the greatest benefits for the person who does it.
  - It produces more happiness than another action that might have been taken.
  - It is based on the moral virtues.
  - It produces the greatest net benefits or the lowest net cost to the society.
- 1.2 Which choice is not one of the five characteristics that distinguish moral standards?
- They deal with matters that can injure or benefit humans.
  - They are based on impartial considerations.
  - They are preferred to other values, such as self-interest.
  - They are concerned with laws.
- 1.3. Which statement reflects the "punishment and obedience orientation" stage (stage one) of moral development?
- I don't steal because I don't want to be spanked.
  - I don't steal because my friends don't steal.
  - I don't steal because it would harm society as a whole.
  - I don't steal because it wouldn't be fair to everyone else if I did.
- 1.4 To evaluate the adequacy of moral reasoning, ethicists employ the following criteria?
- Moral reasoning must be logical.
  - Factual evidence must be accurate, relevant and complete.
  - Moral standards must be consistent.
  - A, B, & C
- 1.5 Competition fosters efficiency because
- the government regulates prices
  - producers have to offer the best products at reasonable prices
  - supply depresses prices
  - businesses can set whatever prices they want.
- 1.6 Which of the following questions are addressed by all economic systems?
- What goods and services should be produced?
  - How much of each good and service should be produced?
  - How should the goods and services be distributed?
  - All of the above.
- 1.7 Which of the following refers to the ability of a person or a country to produce a particular good at a lower opportunity cost than another country? Select correct option:
- Absolute advantage
  - Comparative advantage

- c. Resource efficiency
- d. Natural advantage

- 1.8 Which of the following economist has the harshest and most influential critics of the inequalities that private property institutions and free markets are accused of creating?
- a. John Maynard Keynes
  - b. Karl Marx
  - c. Adam Smith
  - d. David Ricardo
- 1.9 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.
- 1.10 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 no to cooperate gains a benefit.
  - c. All of the above
  - d. None of the above
- 1.11 The public policy view that advocates breaking large firms up into smaller units (each controlling not more than 3-5% of the market) is called
- a. "the Chicago school view."
  - b. "the do-nothing view."
  - c. "the anti-trust view."
  - d. "the regulation view."
- 1.12 Which slogan best fits with the social costs view of producers' & vendors' responsibilities to consumers?
- a. *caveat emptor* – let the buyer beware.
  - b. *caveat vendor* – let the seller take care.
  - c. Both of the above.
  - d. None of the above.
- 1.13 Arguments against discrimination are:
- a. Utilitarian, rights, and justice arguments
  - b. Rights, entitlements, and fairness arguments
  - c. Justice and Kantian arguments
  - d. Civil and criminal
- 1.14 "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. Utilitarian
- c. Capitalist
- d. Communist

1.15 Since the jobs women have historically taken pay low wages and salaries, proponents of \_\_\_\_\_ programs attempt not to place women into higher paying jobs, but to increase the salaries of those jobs where women currently are employed.

- a. Competitive Value
- b. Competitive Position
- c. Comparable Worth
- d. Comparable Equity

1.16 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

1.17 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

1.18 An employer can be guilty of sexual harassment:

- a. only when it intentionally allows particular acts of harassment.
- b. only when it intentionally creates an intimidating, hostile, or offensive working environment.
- c. whenever a woman is offended in the workplace.
- d. even if the employer had expressly forbidden the act of sexual harassment.

1.19 Which of the following factors is not relevant when considering the morality of a gift given to an employee of an organization?

- a. What is the purpose of the gift?
- b. Is the gift forbidden by law?
- c. What is the value of the gift?
- d. Who gave the gift to the employee?

1.20 The doctrine of *caveat emptor*:

- a. let the buyer beware.
- b. let the seller take care.
- c. Both of the above.
- d. None of the above

**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	According to Locke, the power of government should be limited, extending only far enough to protect the basic rights of corporations.
2.2	Isolated and institutional discrimination is not a form of discrimination.
2.3	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 pure competition.
2.4	Job discrimination is to make an adverse decision against employees who belong to a certain class because of morally justified prejudice toward members of that particular class.
2.5	Whistleblowing is never justified, thus should be avoided.
2.6	Ethics of care is 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.
2.7	The concept that there are no relevant differences among people that can justify unequal treatment is known as egalitarianism.
2.8	Misrepresentation makes freedom of choice impossible.
2.9	The obligation of the employer is to provide the employee with a fair wage and fair working conditions.
2.10	An act of awarding tenders to one's relatives constitute conflict of interest.
	<b>Total</b> <b>10 Marks</b>

**SECTION B**

**Question 3**

**[33 Marks]**

- 3.1 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 five ways can advertising be deceptive? (10)
- 3.2 Unregulated monopolies can fall short of morality. What are the ethical weaknesses of monopolies? (6)
- 3.3 Just as people's physical, emotional, and cognitive abilities develop as they age, so also does their ability to deal with moral issues develops as they move through their lives. List Lawrence Kohlberg's six stages of moral development (in their sequence). (6)
- 3.4 Some people are very allergic to peanuts or things derived from peanuts. A food company uses peanut oil in its products. On the ingredients list, the company only lists "vegetable oil" without specifying "peanut oil."
- (a) According to the contractual view, explain the four main moral duties of a business to its customers. (8)
- (b) In your opinion, did the company adhere to all the moral duties it has toward its customers? Motivate your answer. (3)



#### Question 4

[17 Marks]

Read the case below and answer the questions that follow.

#### **NACC probes E-Med over 'monopoly'**

News - National | 2014-01-30 by Adam Hartman

#### **AN official complaint was filed at the Namibian Competition Commission (NACC) against E-Med Rescue Namibia over its alleged market manipulation and monopoly.**

Although NACC corporate communications officer Dina Gowases did not give details, she told The Namibian that a complaint was filed in February 2013 and that it pertained to an alleged infringement that has a bearing on fair competition in the market.

As you are aware, two of the biggest emergency medical evacuation service providers, E-Med Rescue Namibia and I-SOS filed a merger notice on 29 October 2012 with the commission. This merger was prohibited due to the fact that it could result in certain anti-competitive practices, one being the fact that this transaction could result in a situation of market dominance in the relevant market, she said.

Unfair competition relates to any conduct within the business environment that deters other businesses to grow, or creates barriers for any entrepreneur to enter a certain market. It also entails agreements by businesses to only trade amongst themselves, allocate certain market locations to each other or fix prices to enhance the growth of their businesses at the expense of others, as this type of conduct leads to the closure of other businesses.

Unfortunately, the commission is not in a position to divulge more on the motivation and merits of the complaint to maintain confidentiality during its investigation process. Holding a dominant position is not prohibited but the abuse of that dominance by undertakings is not allowed. Unfair competition is not inherent merely because a market is monopolised but rather the abusive conduct by dominant players poses a problem, she explained.

E-Med Rescue Namibia's managing director Eddie Bezuidenhout said investigations are ongoing and their lawyers were handling the case.

He said the investigation was launched to determine if E-Med is not giving other ambulance companies the rightful opportunity to grow and develop the quality of their service delivery.

This is not true. If you deliver a good service and more people come join you because of your good service, this, in my opinion, is not a monopoly, but rather a result of your quality service. Some people therefore had a bit of a bad taste because we are serving more clients because of our quality service and the way we manage emergency scenarios, he explained. He said E-Med is not focused to manipulate, but to give quality service to Namibian citizens.

There are concerns over the partnerships Namibia's medical aid services providers have entered into with E-Med. Bezuidenhout said medical aid funds look at who can give the best service to their (the medical aids service providers') clients - and that E-Med was duly considered.

This partnership, however, did not exclude any of the other emergency services. In fact, according to him, if there was an emergency situation and any of the other ambulances were closer to the scene to help the victims, then these other services would still benefit financially from the medical aids. Many times we'll say that we cannot do it but there is another service that may be willing to do it, and so we give others the opportunity to follow that route, and still be paid. There is no medical fund that will not pay for an emergency service. This is where the manipulation and monopoly would come in - if we had said we have a partnership with a medical aid, and seeing that another ambulance served the client, we refuse to pay, Bezuidenhout said. We don't do that.

As for E-Med and ISOS, there is no merger, but there is a service agreement between them.

Source: <http://www.namibian.com.na/index.php?id=119107&page=archive-read>

- 4.1 It is evidenced in the case that there is fear that a certain unethical market structure might develop in the market of emergency medical evacuation services. What is this market structure? (2)
- 4.2 According to the case the merger between E-Med Rescue Namibia and I-SOS could result in anticompetitive practices. Identify five anticompetitive practices that could result from the merger or the cooperation between the two companies discussed in the case. (Hint: Your detailed discussion should be applied to the case) (15)

*END OF EXAMINATION QUESTION PAPER*