



**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 2023	MODE: PM
DURATION: 3 HOURS	MARKS: 100

FIRST 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 MEMO CONSISTS OF 9 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 question number. For example, 1.2 d.

- 1.1 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 the correct option:
- a. Absolute advantage
 - b. Comparative advantage
 - c. Resource efficiency
 - d. Natural advantage
- 1.2 In the Namibian economy, the problem of “what to produce” is solved primarily by:
- a. the National Planning Commission.
 - b. the Bank of Namibia
 - c. people advertising their wants.
 - d. the pattern of consumers’ spending.
- 1.3 Adam Smith’s concept of the invisible hand suggests that:
- a. the selfish actions of rational individuals will generate an efficient allocation of scarce resources.
 - b. the public-spirited actions of individuals will generate an efficient allocation of scarce resources.
 - c. the systematic but largely invisible intervention of government in the operation of markets will generate an efficient allocation of scarce resources.
 - d. no overall efficient allocation of scarce resources is likely without coordinated economic planning.
- 1.4 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
- 1.5 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. All of the above
 - D. None of the above

- 1.6 Moral responsibility is incurred only when a person and acts in an immoral way or fails to act in a moral way.
- knowingly and freely
 - unknowingly and forced
 - All of the above
 - Ethical dilemma
- 1.7 Which of the following statements is not an example of non-moral standards?
- Standards of etiquette by which we judge manners as good or bad.
 - General rules such as "Always tell the truth".
 - The standards of language by which we judge what is grammatically right and wrong.
 - The rules of behaviour set by parents, teachers or other authorities.
- 1.8 Which of the following is true of mitigating and excusing conditions?
- Mitigation completely removes moral responsibility.
 - How mitigating a factor such as uncertainty is depends on the seriousness of the harm or wrong done.
 - Ignorance is never a valid excuse.
 - Disability is never a valid excuse.
- 1.9 Major problems with the utilitarian reliance on measurement include:
- 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.
 - All benefits and costs are possible to measure.
 - The potential benefits and costs of an action cannot always be reliably predicted.
 - A and C
- 1.10 Goods desired for their own sake are known as
- Public goods
 - Merit goods
 - Intrinsic goods
 - Instrumental goods
- 1.11 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
- price-fixing
 - price discrimination
 - tying arrangements
 - price-setting.

- 1.12 According to John Locke, humans know that they have a right to liberty as a result of:
- The principle of alienation
 - Communitarianism
 - The free market
 - The law of nature
- 1.13 Immorality of sexual harassment:
- inflicts psychological harm on the harassed individual.
 - Is an unjust use of the unequal power that an employer or supervisor wields over an employee.
 - None of the above.
 - A and B
- 1.14 Risks are sometimes unavoidable and acceptable, as long as:
- Employees are not coerced
 - Employees are fully compensated for assuming them and they do so freely and knowingly
 - No one else has the expertise to do the work
 - All the above
- 1.15 Institutionalised discrimination:
- is based on the prejudices or morally offensive attitudes shared by a group.
 - is always intentional
 - can be the act of a single individual
 - all of the above
- 1.16 The following are characteristics of monopoly market except:
- One seller
 - Quantity below equilibrium
 - Prices above equilibrium and supply curve
 - No barriers to entry
- 1.17 In Karl Marks' view, how many sources of income do Capitalist systems offer?
- 2
 - 0
 - 4
 - 1
- 1.18 According to John Locke or his followers,
- 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.

1.19 Ethical violations destroy:

- a. nothing.
- b. jobs.
- c. trust.
- d. profits

1.20 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

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	Public education is not one the issues investigated by business ethics.
2.2	David Ricardo presented the theory of comparative advantage.
2.3	Workplace Harassment/Discrimination may be inflicted by a visitor, manager, employee or a consultant.
2.4	Institutionalised discrimination is based on the prejudices or morally offensive attitudes shared by a group.
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	Working for your employer's competitor during your vacation does not constitute a conflict of interest.
2.8	Under strict liability, the absence of knowledge of the product's potential for the harmful effects excuses the producer from liability for these harmful effects.
2.9	To qualify as sexual harassment, the parties must be of the opposite gender.
2.10	Natural rights are positive rights.
	Total 10 Marks

SECTION B

Question 3

[34 Marks]

- 3.1 Arguments against job discrimination are generally grouped in three moral principles. Outline the arguments against discrimination. (6)
- 3.2 Distributive justice requires that benefits and burdens be fairly distributed fairly in the society. Explain three different types of distributive justice. (6)
- 3.3 Some individuals have argued that the economic power held by oligopoly corporations is actually quite small and insufficient to affect society, whereas others have claimed that it dominates modern economies, and still others have argued that several social factors inhibit the use of this power. List the three main views on oligopoly power. (6)
- 3.4 A person is using a lawnmower. The grass gets plugged up in the discharge chute. The person reaches into the discharge chute to clear the grass, the blade is still spinning, and cuts off several fingers.
The manufacturer has a positive duty to take due care to make sure the product is as safe as possible, and the consumer has a corresponding right to products.

Using the case above, explain whether the three areas to which the manufacturers' responsibility to exercise due care were adhered to in the given case. (10)
- 3.5 Perfectly competitive markets are said to be ethical. What are the moral outcomes of such markets? (6)

Question 4

[16 Marks]

Read the case below and answer the questions below the case.

Cash & Carry Rundu shut down over rotten food complaints

The Rundu Town Council yesterday ordered Cash & Carry supermarket at Rundu to close shop until further notice.

This comes after the supermarket was allegedly found to have been selling expired and rotten items. Tuwilika Hamukoto, the head of public and environmental health at the Rundu Town Council, yesterday confirmed this to *The Namibian*. She said the store was closed due to irregularities found upon inspection. Hamukoto said the store will remain closed until all issues have been resolved. The council visited the shop on Monday and confiscated several expired food items which were unsuitable for consumption. This comes after numerous complaints that the store sells expired food items.

The outlet is part of the Rani Group of companies, Cash & Carry supermarket at Rundu. The closure comes after a video was posted on social media by labour consultant Linus Neumbo. In the video, employees of the supermarket can be seen repackaging what looks like spoiled and rotten potatoes.

Neumbo on Tuesday said he came across employees busy repackaging over 200 bags of potatoes. He said in terms of Section 39 of the Labour Act, employers must provide a safe working environment to their employees, and one with adequate facilities for their welfare. He said the practice uncovered at the shop is in contravention of the act. Every employer must conduct its business operations on its premises, and individuals who are not employees of that employer should not be exposed to any danger, yet in this case consumers are being sold expired and rotten items, Neumbo said.

He further questioned how the shop obtained a business fitness certificate from the Rundu Town Council. "On what basis did the town council give the shop a fitness certificate without conducting an inspection?" Neumbo said.

He said the has reported the matter to the town council as well as the Ministry of Labour, Industrial Relations and Employment Creation.

The supermarket's manager, Res Panjawani, could not be reached via cellphone on Tuesday.

Source: <https://www.namibian.com.na/120208/read/Rundu--residents-rummage-dumpsite-for-expired-food>

- 4.1 Based on the alleged accusations made in the case, identify four ethical principles which in your opinion were violated by Cash & Carry Rundu supermarket. (4)
- 4.2 Explain how those four principles you identified in question 4.1 were violated. (12)

END OF EXAMINATION QUESTION PAPER