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Introduction to Business Module 2

1. Failing to disclose the results of medical studies that indicate your company's new drug has significant side effects violates which category of unethical business activities?

*a. saying things you know are not true
b. giving or allowing false impressions
c. hiding or divulging information
d. abusing power and mistreating individuals

2. Which ethical theory represents a focus on the consequences of an action?

*a. utilitarianism
b. justice
c. obligations and duties
d. individual rights

3. An employee witnesses their manager repeatedly conduct the same act that is against ethical policy of the company. The employee does the same act. This is which type of a leader's influence on employees?

*a. leading by example
b. establishing a code of ethics
c. training by example
d. establishing an ethical policy

4. Which of the following represents a common belief that makes employees behave in a more ethical manner?

*a. establishing a code of ethics
b. leading by example
c. training by example
d. establishing an ethical policy

5. What are the two dimensions of social responsibility for an organization?

*a. legality and responsibility
b. legality and economical
c. legality and ethical
d. philanthropic and responsibility

6. An organization's employees, customers, general public, and investors are which of the following?

*a. stakeholders
b. shareholders
c. constituents

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d. alliance

7. Which of the following terms represents tying philanthropy and corporate social responsibility efforts closely to a company's mission or goals?

*a. strategic giving
b. philanthropy
c. social contract
d. responsible initiative

8. What do multinational corporations need to balance when making decisions about social responsibilities?

*a. conflicting stakeholder interests
b. conflicting country beliefs
c. conflicting legal systems
d. conflicting cultural demographics

9. Which of the following ethical theories represents an equitable distributive process.

*a. justice and fairness
b. utilitarianism
c. obligations and duties
d. individual rights

10. If you believe managers and leaders should act so as to generate the greatest good for the greatest number of people, then you believe in which ethical philosophy?

*a. utilitarianism
b. justice and fairness
c. obligations and duties
d. individual rights

11. A person who produces very consistent decisions represents which type of ethical philosophy?

*a. obligations and duties
b. justice and fairness
c. utilitarianism
d. individual rights

12. Life, freedom, and the pursuit of happiness represents which ethical philosophy?

*a. individual rights
b. justice and fairness
c. utilitarianism
d. obligations and duties

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13. A car dealer who fails to disclose that a car has been in an accident represents which type of unethical activity?

*a. giving or allowing false impressions
b. saying things you know are not true
c. buying influence or engaging in conflict of interest
d. taking unfair advantage

14. What do people base their decisions on when choosing between right and wrong?

*a. personal code of ethics
b. following their leader's example
c. company code of ethics
d. learning from training programs

15. When making the right decision, which test can you use to examine your comfort level with a particular question?

*a. social media test
b. making the decision test
c. television test
d. radio test

16. When making the right decision, which test can you use to help find and resolve potential conflicts of interest?

*a. newspaper test
b. feelings test
c. television test
d. radio test

17. An employee is provided the knowledge of what their company expects in terms of their responsibilities and ethical behavior. This is an example of which of the following?

*a. formal code of ethics
b. leading by example
c. ethics training program
d. personal code of ethics

18. Which of the following represents an action by the company to help develop an awareness of questionable business activities and to practice appropriate responses?

*a. ethics training program
b. leading by example
c. formal code of ethics
d. personal code of ethics

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19. The obligations of corporate social responsibility extend beyond investors to include consumers and communities.

*a. True
b. False

20. The foundation of corporate social responsibility is legal, ethical, and economic.

a. True
*b. False

21. Which of the following represents the base of the pyramid for corporate social responsibility?

*a. economic
b. ethical
c. legal
d. philanthropic

22. Which of the following represents the highest point on the pyramid for corporate social responsibility?

*a. philanthropic
b. ethical
c. legal
d. economic

23. Which of the following can a company be concerned with only after all other corporate social responsibilities have been considered?

*a. philanthropic
b. ethical
c. legal
d. economic

24. An organization's first responsibility is to provide a profit to its shareholders.

a. True
*b. False

25. In today's business environment, a company must satisfy its customers.

*a. True
b. False

26. Toyota's use of renewable energy sources is an example of which type of corporate social responsibility?

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*a. environmental protection
b. responsibility to society
c. responsibility to its stakeholders
d. corporate philanthropy

27. If a company's actions include making cash contributions and donations of equipment and products, which type of corporate social responsibility does that represent?

*a. corporate philanthropy
b. environmental protection
c. responsibility to society
d. responsibility to investors

28. Which group is putting more pressure on companies with an emphasis on social responsibility?

*a. investors
b. lobbyists
c. society
d. charities

29. Historically, corporate philanthropy has typically involved companies seeking out charitable groups and giving them money or donating company products or services.

*a. True
b. False

30. Today, companies recognize that both employer and employee must be committed to working together for the organization to prosper.

*a. True
b. False

31. When United States businesses expand into global markets, they must abide by the foreign country's ethics and policies on corporate social responsibility.

a. True
*b. False

32. When a company publishes information about its global factories, they are making an effort to provide which of the following about its suppliers and working conditions around the world?

*a. transparency
b. philanthropy
c. ethical conduct
d. social responsibility

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33. What do companies need to change to acknowledge short-term performance and nontraditional perks, in an effort to keep employees?

*a. compensation
b. hours worked per week
c. work environment
d. benefits

34. The unfair treatment of workers in international operations appears in the form of child labor and demeaning wages. This is an example of which unethical business activity?

*a. permitting organizational abuse
b. committing improper personal behavior
c. abusing power and mistreating individuals
d. violating rules

35. A manager unduly reprimands an employee in the presence of a customer; the employee is humiliated. This is an example of which unethical business activity?

*a. abusing power and mistreating individuals
b. committing improper personal behavior
c. permitting organizational abuse
d. violating rules

36. A company holds an annual holiday party and some employees become intoxicated and, when driving home, they cause an automobile wreck in which the driver of the other car was hospitalized. This is an example of which unethical business activity?

*a. committing improper personal behavior
b. abusing power and mistreating individuals
c. permitting organizational abuse
d. violating rules

37. Match the ethical theory with its definition.

Justice	The best for the majority
Individual rights	Upholding one's duty
Obligations	Reasonable according to prevailing society standards
Utilitarianism	Life, freedom, and happiness

38. The ethical theory of obligations and duties is not necessarily concerned with the welfare of others.

*a. True
b. False

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39. Which of the following represents an example of a formal code of ethics?

*a. providing employees with the knowledge of what is expected of them in terms of ethical behavior
b. employees observing and learning from their leaders for acceptable ethical behavior
c. employees role-playing during an ethical behavior exercise
d. an employee deciding if they want their behavior posted in a headline

40. Which of the following represents leading by example?

*a. employees observing and learning from their leaders for acceptable ethical behavior
b. providing employees with the knowledge of what is expected of them in terms of ethical behavior
c. employees role-playing during an ethical behavior exercise
d. an employee deciding if they want their behavior posted in a headline

41. Which of the following represents an example of an ethics training program?

*a. employees role-playing during an ethical behavior exercise
b. providing employees with the knowledge of what is expected of them in terms of ethical behavior
c. employees observing and learning from their leaders for acceptable ethical behavior
d. an employee deciding if they want their behavior posted in a headline

42. When the company president implements a policy that no one could earn a salary more than seven times that of the lowest-paid worker, this represents leading by example.

*a. True
b. False

43. Companies do not provide a system to help employees resolve ethical dilemmas.

a. True
*b. False

44. Why does economic responsibilities form the base of the pyramid for corporate social responsibility?

*a. because a corporation must be profitable to survive
b. because a corporation's greatest responsibility is to its shareholders
c. because a corporation's strategy is to maintain market share
d. because a corporation's operations drive all other factors of business

45. The majority of business activities fall into which category?

*a. legal and responsible
b. irresponsible but legal
c. illegal and irresponsible
d. illegal and responsible

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46. If a company makes claims based on customer testimonials but has not yet substantiated them with research, which type of business activity does this represent?

*a. irresponsible but legal
b. legal and responsible
c. illegal and irresponsible
d. illegal but responsible

47. It is a federal requirement that companies practice corporate social responsibility.

a. True
*b. False

48. Match the responsibility to its correct area of concern.

Responsibility to investors	Corporate philanthropy
Responsibility to customers	Clean and safe work environment
Responsibility to employees	Social investing

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