Test Bank for Business A Changing World CDN 7th Ferrell

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

Chapter 02
Business Ethics and Social Responsibility

True / False Questions

1. Business ethics refers to principles and standards that determine acceptable conduct in business organizations.
TRUE

Business ethics are principles and standards that determine acceptable behaviour for individuals within an organization as well as the organization at large.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

2. Social responsibility is another term for ethics.
FALSE

Social responsibility is a broad concept that considers the impact of an entire business's activities on society and ethics refer to an individual's or a work group's decisions that society evaluates as right or wrong.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

3. The acceptability of behavior of a business rests solely with the business itself.
FALSE

The acceptability of behavior in business is determined by not only the organization, but also stakeholders such as customers, competitors, government regulators, interest groups, and the public, as well as each individual's personal principles and values.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

4. Nearly all business decisions may be judged as right or wrong, ethical or unethical.
TRUE

Business decisions, either by law or by society, will be deemed an acceptable practice or not.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

5. The most basic ethical concerns have been formalized through laws and regulations that encourage conformity to society's values and norms.
TRUE

The U.S. Congress passed the Sarbanes-Oxley Act and the Ontario's government proclaimed Bill C-198 which criminalized securities fraud as well as stiffened corporate fraud.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

6. Only corporations have to worry about ethics scandals and social responsibility issues.
FALSE

Ethical issues are not limited to for-profit corporations, but include government, non-profits such as universities, sports, and individuals.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

7. The Occupy Movement was considered a global protest against the private ownership of resources and the resulting undermining of democracy.
FALSE

The Occupy Movement can be described as a global protest against social and economic inequality. The protestors believe that global corporations, especially financial institutions and wealthy individuals, have an unfair influence in politics leading to economic and social problems that undermine democracy.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

8. Business ethics are the same as legal issues.
FALSE

Business ethics go beyond legal issues by building trust among individuals and in business relationships, which validates and promotes confidence among those relationships.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

9. One of the principal causes of unethical behaviour in organizations is overly aggressive financial or business objectives.
TRUE

Overly aggressive financial objectives can set a manager up for failure, tempting them to cross their "ethical boundary" in order to be successful. Unrealistic and overly aggressive goals can tempt an employee to behave in ways that are unethical.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-02 The Role of Ethics in Business

10. Knowing the difference between right and wrong is universal and independent of cultural association.
FALSE

Ethics is also related to the culture in which a business operates. In Canada, for example, it would be inappropriate for a businessperson to bring an elaborately wrapped gift to a prospective client on their first meeting—the gift could be viewed as a bribe.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

11. An ethical issue is an identifiable problem, situation, or opportunity that requires a person or organization to choose from among several actions that may be evaluated as ethical or unethical.
TRUE

An ethical issue is an identifiable problem, situation, or opportunity that requires a person to choose from among several actions that may be evaluated as right or wrong, ethical or unethical. In business, this choice usually involves weighing monetary gain against what a person considers appropriate conduct.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

12. One of the principal causes of unethical behaviour in organizations is overly aggressive financial or business objectives.
TRUE

Many of these issues relate to decisions and concerns that managers have to deal with daily.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

13. The best way to judge the ethics of a decision is to look at it from a manager's or employee's point of view.
FALSE

The best way to judge the ethics of a decision is to look at it from a customer's or competitor's point of view.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

14. Abusive or intimidating behaviour is the most common ethical problem for employees.
TRUE

The concepts can mean anything from physical threats, false accusations, being annoying, profanity, insults, yelling, harshness, or ignoring someone, to unreasonableness, and the meaning of these words can differ by person.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

15. Bullying is associated with a hostile workplace when someone considered a target is threatened, harassed, belittled, or verbally abused or overly criticized.
TRUE

Bullying can cause psychological damage that can result in health endangering consequences to the target.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

16. Bullying may create what some may call a hostile environment and has similar legal recourse to that of sexual harassment.
FALSE

Although sexual harassment has legal recourse, bullying has little legal recourse at this time.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

17. A bribe is considered as a conflict of interest.
TRUE

A bribe is a conflict of interest because it benefits an individual at the expense of an organization or society.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

18. While large bribes are no longer considered acceptable, it still isn't clear about small bribes, often referred to as "facilitation payments," that get people to perform their jobs.
TRUE

For example, in some European countries it is not unusual for the mailman to knock on your door at Christmas looking for a cash gift. The norm is that you pay the gift or you don't get your mail anymore.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

19. Another aspect of conflict of interest relates to disclosure of potential harm caused by product use.
FALSE

Another aspect of *fairness and honesty* relates to disclosure of potential harm caused by product use.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

20. According to the first major study of academic misconduct in Canada, cheating, deceit, and plagiarism were not found to be a problem among Canadian post-secondary students.
FALSE

According to the first major study of academic misconduct in Canada, cheating, deceit, and plagiarism were found to be serious problems.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

21. The size of the transaction, the history of personal relationships within the particular company, and many other factors may determine whether a customer gift will be judged as ethical.
TRUE

This explains why a person needs several years' experience in identifying what constitutes an ethical and unethical decision due to its complex nature.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

22. Conflicts of interest are payments, gifts, or special favours intended to influence the outcome of a decision.
FALSE

Conflicts of interest exist when a person must choose between advancing his or her own personal interests or those of others. Bribes are payments, gifts, or special favours intended to influence the outcome of a decision.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

23. Ethics is related to the culture in which a business operates.
TRUE

Different cultures adhere to different ethical standards, such as in Canada, it could be viewed as a bribe to bring a gift to a business meeting but in Japan, it is considered impolite not to bring a gift to a business meeting.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

24. Workplace bullying is a decreasing problem.
FALSE

Bullying can be a mix of verbal, nonverbal, and manipulative threatening expressions to damage workplace productivity.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

25. It is easy to recognize specific ethical issues in practice
FALSE

It can be difficult to recognize specific ethical issues in practice. Whether a decision maker recognizes an issue as an ethical one often depends on the issue itself.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-04 Making Decisions About Ethical Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

26. Whether a decision maker recognizes an issue as an ethical one often depends on the issue itself.
TRUE

The perceived importance of an ethical issue substantially affects choices, and only a few issues receive scrutiny, while most receive no attention at all.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-04 Making Decisions About Ethical Issues

27. Open discussion of ethical issues eliminates ethical problems.
FALSE

Open discussion of ethical issues does not eliminate ethical problems, but it does promote both trust and learning in an organization.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-04 Making Decisions About Ethical Issues

28. When people feel that they cannot discuss what they are doing with their co-workers or superiors, there is a good chance that an ethical issue exists.
TRUE

Once a person has recognized an ethical issue and can openly discuss it with others, he or she has begun the process of resolving the ethical issue.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-04 Making Decisions About Ethical Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

29. When it comes to ethical behavior, co-workers and superiors exert significant control over one's choices at work through authority and example.
TRUE

While you have great control over your personal ethics outside the workplace, your co-workers and superiors exert significant control over your choices at work through authority and example. In fact, the activities and examples set by co-workers, along with the rules and policies established by the firm, are critical in gaining consistent ethical compliance in an organization.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

30. Establishing and enforcing ethical standards and policies within business can help reduce unethical behaviour by prescribing which activities are acceptable and which are not, and by removing the opportunity to act unethically.
TRUE

Codes of ethics and compliance requirements reduce the opportunity to act unethically, and consistently enforcing repercussions for unethical behaviour reduces unethical acts by individuals within an organization.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

31. Ethical decisions in an organization are influenced by three key factors: individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct.
TRUE

While you have great control over your personal ethics outside the workplace, your co-workers and superiors exert significant control over your choices at work through authority and example.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

32. Without a code of ethics or formal policy on ethics, employees are likely to base their decisions on how their peers and superiors behave.
TRUE

A code of ethics ensures all employees, including senior level executives, are clear on what ethical standards are expected of them.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

33. Codes of ethics foster ethical behaviour because they expand the opportunity to behave unethically.
FALSE

Codes of ethics foster ethical behaviour because they reduce the opportunity to behave unethically.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

34. Ethical decisions in an organization are influenced by a single factor, the moral standard of the organization's leadership.
FALSE

Ethical decisions in an organization are influenced by three key factors: individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

35. Codes of ethics are formalized rules and standards that describe what the company expects of its employees.
TRUE

Codes of ethics do not take into consideration every situation, but they should provide a clear means of appropriate behaviour and steps to take in addressing ethical issues and/or concerns.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

36. The Canadian government is hoping to encourage whistleblowers to inform them about tax cheats. Revenue Canada is offering whistleblowers a 15 percent commission on money collected as a result of tips.
TRUE

Currently, whistleblowers in Canada also have special protection in respect of environmental and health and safety matters and there is a requirement for public companies to have confidential whistleblower hotlines and established procedures for anonymous reporting.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

37. The Federal Accountability Act provides public-sector workers legal protection against reprisals for reporting government wrongdoing.
TRUE

The legislation is "part of the government's broader commitment to ensure transparency, accountability, financial responsibility and ethical conduct."

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

38. A business must choose to be either profitable or socially responsible; they cannot be both.
FALSE

There is much evidence that social responsibility is associated with improved business performance. Consumers are refusing to buy from businesses that receive publicity about misconduct. A number of studies have found a direct relationship between social responsibility and profitability, as well as a link that exists between employee commitment and customer loyalty—two major concerns of any firm trying to increase profits.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

39. The concept of social responsibility is universally accepted.
FALSE

Even though the concept of social responsibility is receiving more and more attention, it is still not universally accepted.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

40. The dimensions of social responsibility include economic, legal, ethical, and voluntary responsibilities.
TRUE

The economic responsibilities include earning a profit, the legal responsibilities include abiding by the law, the ethical responsibilities include doing what is right, and the voluntary responsibilities include promoting goodwill.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

41. Corporate citizenship is the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their owners.
FALSE

Corporate citizenship is the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by various stakeholders.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

42. Voluntary responsibilities are optional activities that promote human welfare or goodwill.
TRUE

Voluntary responsibilities are not required but contribute to the community and quality of life.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

43. Increasingly, consumers are choosing not to patronize businesses that receive negative publicity concerning misconduct.
TRUE

Some studies have found a direct link to social responsibility and employee commitment and customer loyalty.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

44. Managers consider social responsibility on an annual basis.
FALSE

Managers consider social responsibility on a daily basis as with all ethical concerns.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

45. Recycling is a business response to employee issues.
FALSE

Recycling is a business response to environmental issues.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

46. The right to safety requires that businesses provide a safe place for consumers to shop.
TRUE

Many large retailers have been under pressure to increase safety in their warehouse-type stores such as Home Depot.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

47. A major social responsibility for business is providing equal opportunities for all employees.
TRUE

A major legal and social responsibility for business is providing equal opportunities for all employees regardless of their sex, age, race, religion, or nationality.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

48. Day care has become a major employment issue for women, yet many corporations have failed to address this issue in an adequate way for them.
FALSE

More companies are providing daycare facilities as part of their effort to recruit and advance women in the workforce.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

49. Environmental responsibility is yet to become a leading issue as both business and the public still fail to acknowledge the damage done to the environment in the past.
FALSE

Today's consumers are increasingly demanding that businesses take a greater responsibility for their actions and how they impact the environment.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

50. The efforts to make products, packaging, and processes more environmentally friendly have been labelled "green" business or marketing by the public and media.
TRUE

As an example, lumber products at Home Depot may carry a seal from the Forest Stewardship Council to indicate that they were harvested from sustainable forests using environmentally friendly methods.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

Multiple Choice Questions

51. Which of the following statements about business ethics is ***false***?
A. It concerns the impact of a business's activities on society.
B. It refers to principles and standards that define acceptable behaviour in business organizations.
C. It relates to an individual's values and moral standards, and the resulting business decisions he or she makes.
D. What is ethical is determined by the public, government regulators, interest groups, competitors, and each individual's personal moral values.
E. Studying it can help you recognize ethical issues and understand how others make unethical decisions.

Social responsibility concerns the impact of a business's activities on society.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

52. Which statement is true of business ethics?
A. Ethical issues are not limited to for-profit organizations.
B. Business ethics does not extend beyond legal issues.
C. Ethical conduct does not have any impact on business relationships.
D. Ethical conflicts do not evolve into legal disputes.
E. Ethical issues are not affected by social perceptions.

Ethical issues are not limited to for-profit organizations; they include all areas of organizational activities. Whether made in science, politics, sports, or business, most decisions are judged as right or wrong, ethical or unethical.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

53. The principles and standards that determine acceptable conduct in business organizations are referred to as
A. social responsibility.
B. business strategies.
C. business ethics.
D. business stances.
E. corporate citizenship.

Business ethics is defined as the principles and standards that determine acceptable conduct in business organizations.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

54. Which of the following *best* exemplifies a company with a strong ethical culture?
A. The top management at Randy's company clearly communicates to all employees the ethical behavior expected of them.
B. Norah reports to two different supervisors—one who follows the company's ethics policy and one who makes exceptions to the rules. Nora is not sure who to follow.
C. Since the top management at Colin's company feels they only hire ethical employees, they do not see the need for a formal, written ethics policy.
D. The middle-level managers at Blake's company do not get direction from top management regarding ethical behavior, but they all try to do what is right.
E. Jayla follows the lead of her immediate supervisor; if he bends the rules, she feels that she can do the same.

To truly create an ethical culture, managers must show a strong commitment to ethics and compliance. This "tone at the top" requires top managers to acknowledge their own role in supporting ethics and compliance, clearly communicate company expectations for ethical behavior to all employees, educate all managers and supervisors in the business about the company's ethics policies, and train managers and employees on what to do if an ethics crisis occurs.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

55. Which statement is true regarding business ethics and social responsibility?
A. All actions deemed unethical by society are also illegal.
B. The concerns of what is legal and ethical do not change over time.
C. The terms social responsibility and ethics should be used interchangeably.
D. Companies can be both profitable and socially responsible.
E. Businesses whose sole objective is to earn profit are also likely to consider their social responsibility.

Many consumers and social advocates believe that businesses should not only make a profit but also consider the social implications of their activities. Socially responsible businesses win the trust and respect of their employees, customers, and society and, in the long run, increase profits.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

56. A local landscaping company donates and plants a tree in the community for every new client that uses its landscaping design services. This exhibits the company's
A. business ethics.
B. profitability.
C. business responsibility
D. irresponsibility.
E. social responsibility.

Social responsibility is a business's obligation to maximize its positive impact and minimize its negative impact on society. Donating and planting trees shows this company's social responsibility. Businesses should not only make a profit but also consider the social implications of their activities.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

57. The term _____ refers to a business's obligation to maximize its positive impact and minimize its negative impact on society.
A. social citizenship
B. social strategy
C. social ethics
D. social responsibility
E. social philanthropy

Social responsibility refers to a business's obligation to maximize its positive impact and minimize its negative impact on society.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

58. Premier Products is well-received by the community in which it operates. Every year Premier hosts a charity fundraiser to support local charities; its employees regularly volunteer within the community and the company is committed to using sustainable manufacturing processes. The actions taken by Premier Products *best* exemplify
A. consumerism.
B. entrepreneurship
C. legal responsibility
D. social responsibility
E. business ethics.

Social responsibility refers to a business's obligation to maximize its positive impact and minimize its negative impact on society.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

59. How do the terms business ethics and social responsibility differ from each other?
A. Business ethics concerns the impact of the entire business's activities on society, whereas social responsibility relates to an individual's decisions that society evaluates as right or wrong.
B. Business ethics concerns the impact of the entire business's activities on society, whereas social responsibility relates to a work group's decisions that society evaluates as right or wrong.
C. Business ethics relates to an individual's or a work group's decisions that society evaluates as right or wrong, whereas social responsibility concerns the impact of the entire business's activities on society.
D. Business ethics and social responsibility can be used interchangeably because they mean the same thing.
E. Business ethics is a broader concept, whereas social responsibility is a narrower concept.

Although many people use the terms social responsibility and ethics interchangeably, they do not mean the same thing. Business ethics relates to an individual's or a work group's decisions that society evaluates as right or wrong, whereas social responsibility is a broader concept that concerns the impact of the entire business's activities on society.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

60. Studying business ethics will not necessarily:
A. help you recognize ethical issues.
B. help you understand the importance of ethical decisions.
C. inform you about the impact of the work group on ethical decisions.
D. describe the ethical decision-making process.
E. tell you what you ought to do.

Others such as your peers, family, and co-workers will judge your actions and decisions to be ethical or unethical.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

61. Ethical violations destroy:
A. nothing.
B. jobs.
C. confidence/trust.
D. profits.
E. morale.

Ethical conduct builds trust and credibility, therefore, when ethical violations are committed, it is very difficult to restore trust and confidence.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

62. Which of the following has been cited as an incident of unethical business activity recently?
A. Unfair competitive practices in the computer industry
B. Using the Internet to steal another person's credit-card number
C. Accounting fraud
D. Deceptive advertising of food products
E. All of the choices are correct

In the *National Post* or *The Globe and Mail*, there are regular examples of ethical issues in business.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

63. Which of the following statements is *false*?
A. Ethical issues are limited to for-profit organizations.
B. Business ethics go beyond legal issues.
C. Ethical conduct builds trust among individuals and in business relationships.
D. Ethical conflicts may evolve into legal disputes.
E. Regardless of what an individual feels about a particular action, if society judges it to be unethical, that judgment affects the organization's ability to achieve its objectives.

Ethical issues are not limited to for-profit corporations, but include government, non-profits such as universities, sports, and individuals.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

64. One of the most difficult things for a business to restore after an ethics scandal is/are
A. regulations.
B. ethics training programs.
C. trust.
D. codes of conduct.
E. morale.

Ethical conduct builds trust and credibility. Establishing trust and confidence is much more difficult in organizations that have reputations for acting unethically.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

65. Which statement is true of how the mass media reports on the ethical conduct of businesses?
A. The mass media focuses equally on misconduct and good ethical conduct.
B. The mass media focuses more on misconduct than good ethical conduct.
C. The mass media focuses more on good ethical conduct than misconduct.
D. The mass media rarely reports on the ethical conduct of businesses.
E. The mass media supports businesses by giving the public the impression that misconduct is not widespread.

The mass media frequently reports about firms that engage in misconduct related to bribery, fraud, and unsafe products. However, the good ethical conduct of the vast majority of firms is not reported as often. Therefore, the public often gets the impression that misconduct is more widespread than it is in reality.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

66. Tracor Industries decided to buy less expensive materials from a foreign supplier that resulted in a significant reduction in the quality of its product. As a result, company sales dropped, many retailers refused to carry the product, and consumers left negative reviews online about the product. This is an example of
A. why the most expensive products must always be used in the production process.
B. a company being unethical but socially responsible.
C. how negative judgments can affect an organization's ability to achieve its goals.
D. ethical misconduct by the foreign supplier.
E. legal misconduct by Tracor Industries.

Regardless of what an individual believes about a particular action, if society judges it to be unethical or wrong, whether correctly or not, that judgment directly affects the organization's ability to achieve its business goals. Ethical conduct builds trust among individuals and in business relationships, which validates and promotes confidence in business relationships. Establishing trust and confidence is much more difficult in organizations that have reputations for acting unethically.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

67. After a major horse race, it was discovered that the winner had drugged his horse to make it run faster. Even though there was not a specific rule against drugging horses, the horse's owner, trainer, and jockey were banned from the racing industry. This exemplifies how
A. negative judgment directly affects an organization's ability to achieve its business goals.
B. unfair society can be in making ethical judgments.
C. ethics can be blown out of proportion.
D. important social responsibility is.
E. easily ethical issues can be resolved.

This example shows how negative judgment directly affects an organization's ability to achieve its business goals. Whether made in science, politics, sports, or business, most decisions are judged as right or wrong, ethical or unethical.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

68. What is a key step in evaluating ethical decisions in business?
A. assuming that ethical issues do not include all areas of organizational activities
B. recognizing that social responsibility and ethics are inversely related to each other
C. understanding that business ethics does not go beyond legal issues
D. identifying that ethics is not culture-specific
E. learning how to recognize and resolve ethical issues

Learning how to recognize and resolve ethical issues is a key step in evaluating ethical decisions in business.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

69. The most common ethical problem for employees is:
A. Fairness and Honesty.
B. Bribery.
C. Conflict of Interest.
D. Abusive or Intimidating Behaviour.
E. Communications.

The concepts can mean anything from physical threats, false accusations, being annoying, profanity, insults, yelling, harshness, or ignoring someone, to unreasonableness in general.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

70. In Canada, if a businessperson brought an elaborately wrapped gift to a prospective client on their first meeting, it might be viewed as:
A. appropriate.
B. an expected enticement to do business.
C. a bribe.
D. an act of dishonesty.
E. an acceptable motivation for business.

Different cultures adhere to different ethical standards, such as in Canada, it could be viewed as a bribe to bring a gift to a business meeting, but in Japan it is considered impolite not to bring a gift to a business meeting.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

71. If a corporate manager makes a decision that results in personal financial benefit while the company's owners lose financially, this is an ethical issue related to:
A. conflicts of interest.
B. communication problems.
C. illegal actions.
D. dishonesty.
E. inequality.

The manager is acting to benefit him or herself at the expense of the company and he or she is not fulfilling his or her responsibilities to ensure that the company stays profitable, which is a conflict of interest.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

72. If the owner of a toy store seeking a price reduction gives the manager of a toy manufacturing company a new personal computer, the toy-store owner is using which approach to influence the manufacturer's decision making?
A. High technology
B. Computer impacting
C. Discounting
D. Bribery
E. Tipping

Bribery uses payments, gifts, or special favours to influence the outcome of a decision.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

73. A supplier of a component part has offered Karen's family a free two-week cruise if his firm gets a very large order from Karen's company. The most ethical course of action for Karen to take would be to:
A. politely turn it down and discuss the offer with her boss.
B. accept it if the part in question meets quality standards.
C. ask around and see how her boss handled such offers previously.
D. accept the offer.
E. call the police.

This is an example of bribery that would inhibit competition if Karen opted to accept the offer.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

74. That businesspeople are expected not to harm customers, clients, and competitors knowingly through deception, misrepresentation, coercion, or discrimination is part of:
A. fairness and honesty.
B. communications.
C. conflicts of interest.
D. business relationships.
E. consumerism.

Fairness and honesty are at the heart of ethics and relate to values of decision makers such as not pilfering office supplies or engaging in collusive behaviour.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

75. Canadian anti-tobacco legislation and the U.S. Surgeon General's warning on cigarette packages about the health implications of smoking is an example of which of the following ethical issues?
A. Conflicts of interest
B. Fairness and honesty
C. Communications
D. Relationships within a business
E. Environmental issues

An important aspect of communications regarding an ethical issue is product labeling such as Canada's graphic pictures and the U.S. Surgeon General's warning on cigarette packages.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

76. The following behaviour is an example of ethical consideration within business relationships:
A. keeping company secrets.
B. avoiding obligations.
C. shirking responsibilities.
D. setting a poor example for others.
E. offering a bribe.

Ethical behaviour within a business involves keeping company secrets, meeting obligations and responsibilities, and avoiding undue pressure that may force others to act unethically.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

77. If a manager pressures a subordinate to engage in activities that he or she may otherwise view as unethical, such as accounting fraud or stealing a competitor's secrets, there exists an ethical issue related to:
A. plagiarism.
B. business relationships.
C. communications.
D. fairness and honesty.
E. conflicts of interest.

Ethical issues related to business relationships include the responsibility of managers to help an organization achieve its goals without compromising employee rights.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

78. If an employee learned of a significant cost-saving idea from a co-worker and then informed the management of the idea without revealing its true source, then the employee would be involved in:
A. keeping a secret.
B. career advancement.
C. plagiarism.
D. socialism.
E. egalitarianism.

Plagiarism is taking someone else's work or idea and presenting it as your own without mentioning its source.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

79. Daniel notices that one of his colleagues arrives late and leaves early from work every day. In deciding whether or not to report this behavior, what must he do first?
A. confront the colleague about the situation
B. discuss the situation with other colleagues
C. ask his wife what she thinks
D. know his company's policy regarding the ethics of his colleague's choice
E. discuss the situation hypothetically with his manager

Employees need to know when to rely on their organizations' policies and codes of ethics or have discussions with co-workers or managers on appropriate conduct. Ethical decision making is not always easy because there are always gray areas that create dilemmas, no matter how decisions are made. The question of whether or not to report his colleague requires Daniel to understand his company's policy regarding the ethics of his colleague's choice and decide whether to ask for guidance.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

80. _____ are payments, gifts, or special favors intended to influence the outcome of a decision.
A. Bribes
B. Tax incentives
C. Stipends
D. Grants
E. Recompenses

Bribes are payments, gifts, or special favors intended to influence the outcome of a decision. A bribe benefits an individual or a company at the expense of other stakeholders.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

81. Joylene and Kurt are competing for a promotion. Hoping to sway her manager to promote her over Kurt, Joylene gives her manager an expensive bottle of wine. This is an example of
A. the misuse of company resources.
B. bribery.
C. dishonesty.
D. conflict of interest.
E. an acceptable gift.

This is an example of bribery. Bribes are payments, gifts, or special favors intended to influence the outcome of a decision.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

82. All of the following are common areas of misconduct observed in the workplace EXCEPT
A. misuse of company time.
B. abusive and intimidating behavior.
C. separation of personal financial interests from business dealings.
D. misuse of company resources.
E. conflict of interest.

Workers witness many instances of ethical misconduct in their organizations, including misuse of company time, abusive and intimidating behavior, misuse of company resources, and conflict of interest.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

83. What is true of misusing company time?
A. Theft of time is not a common area of misconduct observed in the workplace.
B. Time theft costs can be difficult to measure but are estimated to cost companies hundreds of billions of dollars annually.
C. The average employee "steals" 10 hours a week with late arrivals, leaving early, and long lunch breaks.
D. The average employee doesn't misuse company time often enough to negatively affect productivity.
E. Time theft costs are easy to measure and do not cost companies very much money.

Theft of time is a common area of misconduct observed in the workplace. Time theft costs can be difficult to measure but are estimated to cost companies hundreds of billions of dollars annually. The average employee steals 4.5 hours a week with late arrivals, leaving early, long lunch breaks, inappropriate sick days, excessive socializing, and engaging in personal activities. These activities add up to lost productivity and profits.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

84. Abusive behavior is difficult to assess and manage because
A. top management usually refuses to address the problem.
B. most employees accept this form of behavior as no big deal.
C. employees generally do not follow codes of ethics.
D. people have very diverse cultures and lifestyles.
E. it often leads to higher levels of unemployment.

Abusive behavior is difficult to assess and manage because of diversity in culture and lifestyle.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

85. Felix speaks fluent Spanish, and English is his second language. When communicating with his colleagues, Amanda and Joe, he uses words that are normal in his language, but they consider them profane. What does this exhibit?
A. Colleagues can often be oversensitive.
B. Profanity has a universal definition.
C. Abusive behavior is difficult to assess and manage.
D. Profanity is not considered to be an abusive behavior.
E. Regardless of intent, abusive behavior is easy to assess and manage.

Abusive behavior is difficult to assess and manage because of diversity in culture and lifestyle. If you are using words that are normal in your language but that others consider to be profanity, intent can determine whether you've insulted, abused, or disrespected them or if it was simply a mistake.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

86. Which act is associated with bullying?
A. buying or selling of stocks by insiders
B. discrediting others' ideas and opinions
C. lobbying for or against someone
D. mediating as a third party
E. offering bribes

Actions associated with bullies include spreading rumors to damage others and discrediting others' ideas and opinions.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

87. What is associated with a hostile workplace when a person or group is targeted and is threatened, harassed, belittled, verbally abused, or overly criticized?
A. conflict of interest
B. bribery
C. treachery
D. treason
E. bullying

Bullying is associated with a hostile workplace when a person or group is targeted and is threatened, harassed, belittled, verbally abused, or overly criticized. Bullying may create what some consider a hostile environment, a term generally associated with sexual harassment.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

88. Marissa needs William's help to resolve an urgent work issue. She has emailed and called him several times, but William doesn't respond to any of her communications. William's behavior is an example of
A. a conflict of interest.
B. the misuse of company time.
C. bullying.
D. the misuse of company resources.
E. dishonesty.

Failing to communicate or return communication is an example of bullying.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

89. _____ is the buying or selling of stocks by insiders who possess material that is still not public.
A. Gatekeeping
B. Whistleblowing
C. Downcycling
D. Insider trading
E. Plagiarizing

A conflict of interest, one of the most common ethical issues identified by employees, exists when a person must choose whether to advance his or her own personal interests or those of others. Insider trading is an example of a conflict of interest. Insider trading is the buying or selling of stocks by insiders who possess material that is still not public. The Justice Department has taken an aggressive stance toward insider trading.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

90. Spending an excessive amount of time on personal e-mails, submitting personal expenses on company expense reports, and using the company copier for personal use are all examples of
A. the misuse of company time.
B. conflicts of interest.
C. abusive behavior.
D. the misuse of company resources.
E. the pressure to compromise standards.

Examples of the misuse of company resources might include spending an excessive amount of time on personal e-mails, submitting personal expenses on company expense reports, or using the company copier for personal use.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

91. The fact that businesspersons are expected not to harm customers, clients, and competitors knowingly through deception, misrepresentation, coercion, or discrimination is part of the practice of
A. business relationships.
B. communications.
C. conflict of interest.
D. fairness and honesty.
E. consumerism.

Fairness and honesty are at the heart of business ethics and relate to values of decision makers. Businesspersons obeying the law are expected not to harm customers, employees, clients, or competitors knowingly through deception, misrepresentation, coercion, or discrimination.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

92. A hairdryer manufacturer produced a new model that could dry a person's hair in under five minutes. When customers used this hairdryer and experienced scalp and hand burns, the manufacturer was required to create and enforce detailed plans to prevent future burns. This example relates to
A. fairness and honesty.
B. competition.
C. obeying laws and regulations.
D. intimidating behavior.
E. business relationships.

This example relates to fairness and honesty. Companies are expected to disclose potential harm caused by product use.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

93. All of the following are associated with dishonesty EXCEPT
A. lack of integrity.
B. competition.
C. lack of disclosure.
D. lying.
E. cheating.

Dishonesty is usually associated with a lack of integrity, lack of disclosure, and lying. Stealing and cheating are other examples of dishonesty.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

94. Who is engaged in plagiarism?
A. Nathan came up with a new training method, but his boss Bill claimed the idea as his own.
B. Neil bought some company stock based on inside information about the latest sales figures.
C. Taliyah used company financial data from the previous year in her presentation to stockholders.
D. Noel tells the other managers what he pays each of his employees.
E. Linda shows the company's new ad campaign to her best client.

Plagiarism is taking someone else's work and presenting it as your own without mentioning the source. When Bill claimed Nathan's idea as his own, he committed plagiarism.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

95. The warning on cigarette packages about the health implications of smoking is an example of
A. conflict of interest.
B. fairness and honesty.
C. communications.
D. relationships within a business.
E. environmental issues.

An important aspect of communications regarding an ethical issue is product labelling such as the warning on cigarette packages.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

96. Which behavior is an example of ethical consideration within the purview of business relationships?
A. keeping company secrets
B. communicating with customers
C. whistleblowing
D. obeying environmental laws
E. donating to local charities

Ethical behavior within a business involves keeping company secrets, meeting obligations and responsibilities, and avoiding undue pressure that may force others to act unethically.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

97. Which of the following indicates that a person has begun the process of resolving an ethical issue?
A. deciding not to discuss what he or she is doing with co-workers or superiors
B. recognizing the ethical issue and openly discussing it with others
C. ignoring the ethical issue until it goes away
D. making decisions without recognizing the embedded ethical issue
E. recognizing the ethical issue and keeping it secret

Once a person has recognized an ethical issue and can openly discuss it with others, he or she has begun the process of resolving the issue.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-04 Making Decisions About Ethical Issues

98. Which of the following is NOT a question to consider in determining whether an action is ethical?
A. Are there any potential legal restrictions or violations that could result from the action?
B. Does your company have a specific code of ethics or policy on the action?
C. How does this activity fit with your own beliefs and values?
D. Would this activity be accepted by your co-workers?
E. Is this activity customary across all industries in your country?

The questions to consider in determining whether an action is ethical are: Are there any potential legal restrictions or violations that could result from the action? Does your company have a specific code of ethics or policy on the action? Is this activity customary in your industry? Would this activity be accepted by your co-workers? How does this activity fit with your own beliefs and values?

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-04 Making Decisions About Ethical Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

99. Which of the following is *not* considered unethical behaviour in the workplace?
A. Taking notebooks and pens home for personal use
B. Using on the job time to write e-mails to your friends and family
C. Using your cell phone to make a doctor's appointment during your lunch break
D. Looking the other way when you notice a superior doing something that is against company policy
E. Shopping for clothes online while at work

An employee's lunch break is his or her personal time to take care of personal needs whether it is eating lunch, running errands, or using a personal phone to make calls.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

100. A set of formalized rules and standards that describe what a company expects of its employees is called a(n):
A. code of ethics.
B. opportunity.
C. moral philosophy.
D. guideline.
E. law.

Codes of ethics are formalized rules and standards that describe what the company expects of its employees.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

101. What occurs when an employee exposes an employer's wrongdoing to outsiders?
A. Fraud
B. Whistleblowing
C. Plagiarism
D. Mayhem
E. A criminal lawsuit

Whistleblowing occurs when a lack of anonymous reporting mechanisms exists in a company and therefore an employee may expose an employer's wrongdoing to the government or media.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

102. Codes of ethics foster ethical behaviour by:
A. expanding the opportunity to behave ethically by providing rewards for following the rules.
B. limiting the opportunity to behave unethically by providing punishments for violations of the rules and standards.
C. limiting the opportunity to behave unethically by providing rewards for violations of the rules and standards.
D. expanding the opportunity to behave ethically by providing punishments for following the rules.
E. all of the choices are correct.

Codes of ethics sets clear guidelines for employees regarding what ethical behaviour is expected of them. It also creates a formal procedure for infractions committed by employees related to ethical issues.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

103. Unethical behaviour in business can be reduced if management does all of the following, ***except***:
A. establish clear policies on unethical behaviour.
B. limit opportunities for unethical behaviour.
C. establish formal rules and procedures.
D. punish unethical behaviour firmly.
E. depend totally on employees' personal ethics.

A company should never rely on an employees' personal ethics to guide ethical standards, due to the wide array, or lack thereof moral standards that an individual maintains.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

104. The three key factors that influence ethical decisions in an organization are: individual moral standards, the influence of managers and co-workers, and
A. religious values.
B. informal ethical policies or rules.
C. the opportunity to engage in misconduct.
D. family influence.
E. the founder's values.

Ethical decisions in an organization are influenced by three key factors: individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

105. Which of the following should help reduce the incidence of unethical behaviour in an organization?
A. Understanding individual moral standards, the influence of managers and co-workers, and the opportunity to engage in misconduct.
B. Maximizing ethical conflict in work groups.
C. Expanding opportunity by providing punishments for violations of the rules.
D. Overlooking violations of codes of ethics.
E. All of these answers will help reduce the incidence of unethical behaviour in an organization.

Understanding the influence of business ethics leads to establishing codes of ethics and compliance requirements that reduce unethical behaviour in an organization.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

106. Firms that develop higher levels of _____ function more efficiently and effectively and avoid damaged company reputations and product images.
A. respect
B. profit
C. trust
D. cooperation
E. philanthropy

Organizations recognize that effective business ethics programs are good for business performance. Firms that develop higher levels of trust function more efficiently and effectively and avoid damaged company reputations and product images.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

107. Kian's company, Microtech, does not have established rules and policies on ethics. It is a small, independent company that depends on its employees to use their own judgment. This structure can lead to
A. opportunity for misconduct.
B. conflicts of interest.
C. better co-worker relationships.
D. similar behavior across co-workers.
E. pressure to act unethically.

If a company fails to provide good examples and direction for appropriate conduct, confusion and conflict will develop and result in the opportunity for misconduct.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

108. What is true of professional codes of ethics?
A. They are informal rules of ethics followed by employees.
B. They do not have to provide any guidelines and principles.
C. They do not have to be too detailed.
D. They should only be developed by the board of directors of a firm.
E. They should take into account every ethical situation possible.

Professional codes of ethics do not have to be so detailed that they take into account every situation, but they should provide guidelines and principles that can help employees achieve organizational objectives and address risks in an acceptable and ethical way. The development of a code of ethics should include not only a firm's executives and board of directors, but also legal staff and employees from all areas of a firm.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

109. Corporate _____ refers to the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their stakeholders.
A. values
B. codes
C. citizenship
D. compliance
E. philanthropy

Good corporate citizens meet the legal, ethical, economic, and voluntary responsibilities of their stakeholders.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

110. Being profitable relates to which social responsibility dimension?
A. Economic
B. Voluntary
C. Ethical
D. Legal
E. Corporate citizenship

Economic responsibility refers to earning a profit which is the foundation of a company.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

111. Which of the following is *not* one of the dimensions of social responsibility?
A. Voluntary
B. Economic
C. Legal
D. Ethical
E. Altruistic

Although altruism may be a part of voluntary responsibility, it is not a dimension of social responsibility by itself.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

112. Philanthropic contributions made by a business to a charitable organization represent which dimension of social responsibility?
A. Corporate citizenship
B. Economic
C. Legal
D. Ethical
E. Voluntary

Voluntary responsibilities include philanthropic contributions.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

113. Which of the following is at the base of the Pyramid of Social Responsibility?
A. Voluntary responsibilities
B. Philanthropic responsibilities
C. Ethical responsibilities
D. Legal responsibilities
E. Economic responsibilities

See Figure 2.2—The Pyramid of Social Responsibility.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

114. Which of the following is at the peak of the Pyramid of Social Responsibility?
A. Voluntary responsibilities
B. Philanthropic responsibilities
C. Ethical responsibilities
D. Legal responsibilities
E. Economic responsibilities

See Figure 2.2—The Pyramid of Social Responsibility.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

115. Contributing to the community and quality of life is considered in which level of the Pyramid of Social Responsibility?
A. Voluntary responsibilities
B. Philanthropic responsibilities
C. Ethical responsibilities
D. Legal responsibilities
E. Economic responsibilities

See Figure 2.2—The Pyramid of Social Responsibility.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

116. All of the following are arguments *against* social responsibility, ***except*** that:
A. it sidetracks managers from their primary objective.
B. it gives businesses more power.
C. businesses may not have the necessary expertise.
D. the government should bear the responsibility.
E. businesses have the financial resources to help society.

See Table 2.7 for a comprehensive list of arguments for and against social responsibility.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

117. All of the following are arguments in favour of social responsibility, ***except*** that:
A. businesses created many of the problems, so they should participate in finding solutions.
B. businesses may lose their focus on profit-making.
C. businesses that are socially responsible prevent more government regulation.
D. the survival of a healthy economy depends on businesses being socially responsible.
E. as members of society, businesses should do their fair share to help others.

See Table 2.7 for a comprehensive list of arguments for and against social responsibility.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

118. Consumers vote against firms they view as socially irresponsible by:
A. boycotting the company's products.
B. expressing dissatisfaction through violent protests.
C. writing to their representatives in Parliament.
D. buying more of the company's products.
E. filing complaints with the Bank of Canada.

Consumerism is the act of protecting consumer rights and boycotting companies based on socially irresponsible behaviour is one way to protect consumer rights.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

119. Studies have found a direct link between social responsibility and _____ in business.
A. profitability
B. ethics
C. declining stock prices
D. the happiness of stakeholders
E. global warming

Studies have found a direct link between social responsibility and profitability in business, as well as employee commitment and customer loyalty.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

120. In addressing social responsibility, managers must consider their firms' relations with:
A. employees.
B. owners.
C. customers.
D. the community.
E. all of these stakeholders.

Among the many social issues that managers must consider are their firms' relations with owners and stockholders, employees, consumers, the environment, and the community.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

121. Managers consider social responsibility:
A. on a weekly basis.
B. on a daily basis.
C. at annual planning meetings.
D. during budget planning sessions.
E. infrequently.

As with ethics, managers must consider social responsibility on a daily basis.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

122. Businesses must first be responsible to:
A. employees.
B. customers.
C. owners.
D. bankers.
E. managers.

Businesses must first be responsible to their owners who are primarily concerned with a return on their investment in a company.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

123. A business's responsibilities to its owners and investors include:
A. protecting the owners' rights and investments.
B. maintaining proper accounting procedures.
C. providing all relevant information about the current and projected performance of the firm.
D. maximizing their investment in the firm.
E. all of the choices are correct.

A business's responsibilities to its owners and investors, including the financial community at large, include maintaining proper accounting procedures, providing all relevant information to investors about the current and projected performance of the firm, and protecting the owners' rights and investments.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

124. Many of the laws regulating safety in the workplace are enforced by:
A. the Canadian Safety and Security Association.
B. the RCMP.
C. NAFTA.
D. the Canadian government.
E. the Criminal Code.

The Canadian government has passed several laws regulating safety in the workplace.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

125. The activities that independent individuals, groups, and organizations undertake to protect their rights as consumers are known as:
A. social responsibilities.
B. consumerism.
C. ethics.
D. welfare.
E. morals.

Consumerism is the promotion of consumer rights and protection.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

126. Writing letters to companies, making public service announcements, lobbying government agencies, and boycotting irresponsible companies are activities involved with which social responsibility issue?
A. Employee relations
B. Environmental issues
C. Community relations
D. Consumer relations
E. Relations with owners

Consumerism is defined as the activities that individuals and organizations take to ensure consumer rights and protection, which is a consumer relations issue.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

127. Which right assures the fair treatment of consumers who voice complaints about a purchased product?
A. The right to choose
B. The right to safety
C. The right to be heard
D. The right to be informed
E. The right to complain

The right to be heard assures consumers that their interests will receive full and sympathetic consideration when the government formulates policy.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Hard
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

128. The assurance of satisfactory quality and service at a fair price is part of a consumer's right to:
A. choose.
B. be heard.
C. be informed.
D. safety.
E. freedom of speech.

The right to choose ensures that consumers have access to a variety of services and products at competitive prices.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

129. Whose role is it to protect consumers against unfair, deceptive, or fraudulent practices?
A. The Ministry of Labour Relations
B. The Department of Marketing
C. Canada's Office of Consumer Affairs
D. Industry Canada
E. Statistics Canada

Canada's Office of Consumer Affairs works with both the public and private sectors, using information, research, and policy to complement and support consumer protection regulation.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

130. One of the most important things companies can do to curb global warming is to reduce greenhouse-gas emissions. Of the options below, which is NOT a good way to reduce daily carbon and greenhouse gas output?
A. Riding a bike to work
B. Recycling bottles, cans, and paper products
C. Taking measures to streamline operations and reduce waste
D. Keeping the air conditioner running all summer long
E. Buying a more fuel-efficient car

Keeping the air conditioner running twenty-four hours a day, seven days a week, for three months would increase daily carbon and greenhouse gas output.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

131. Cosmetic and drug testing on animals is a primary concern under which social responsibility issue?
A. Consumer relations
B. Environmental issues
C. Community relations
D. Employee relations
E. Relations with stockholders

One area of environmental concern is animal rights.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

132. Which of the following is *not* an area of environmental concern in society today?
A. Animal rights.
B. Land pollution.
C. Waste disposal.
D. Donations to local charitable organizations.
E. Business practices that harm endangered wildlife.

Donations to local and national charitable organizations are an example of community relations in society today.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

133. Pollution of water and soil from activities such as oil and gas drilling is primarily related to
A. consumer relations
B. sustainability issues.
C. community relations.
D. employee relations.
E. relations with stockholders.

One area of environmental concern is pollution of water and soil from business activities. Sustainability refers to conducting activities in such a way as to provide for the long-term well-being of the natural environment, including all biological entities.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

134. _____ emerged as a major issue in the 20th century in the face of increasing evidence that pollution, uncontrolled use of natural resources, and population growth were putting increasing pressure on the long-term sustainability of these resources.
A. Ethnic cleansing
B. Environmental protection
C. Global marketing
D. Consumerism
E. Whistleblowing

Environmental protection emerged as a major issue in the 20th century in the face of increasing evidence that pollution, uncontrolled use of natural resources, and population growth were putting increasing pressure on the long-term sustainability of these resources.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

135. _____ involves the interaction among nature and individuals, organizations, and business strategies and includes the assessment and improvement of business strategies, economic sectors, work practices, technologies, and lifestyles, so that they maintain the health of the natural environment.
A. Philanthropy
B. Consumerism
C. Sustainability
D. Biodiversity
E. Dualism

Sustainability refers to the process of conducting activities in such a way as to provide for the long-term well-being of the natural environment, including all biological entities. Hence, it involves the interaction among nature and individuals, organizations, and business strategies and includes the assessment and improvement of business strategies, economic sectors, work practices, technologies, and lifestyles, so that they maintain the health of the natural environment.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Short Answer Questions

136. What is business ethics?

Answers will vary.

Feedback: Business ethics refers to principles and standards that define acceptable behaviour in business organizations. Within the context of an organization, ethics relate to an individual's or a work group's decisions that society evaluates as right or wrong.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

137. Differentiate between the terms social responsibility and ethics.

Answers will vary.

Feedback: Although many people use the terms social responsibility and ethics interchangeably, they do not mean the same thing. Business ethics relate to an individual's or a work group's decisions that society evaluates as right or wrong, whereas social responsibility is a broader concept that concerns the impact of the entire business's activities on society.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-01 Business Ethics and Social Responsibility

138. Choose an issue that has been prominently featured in the news and discuss the ethical implications of this issue. Define any key terms that you use in your response.

Answers will vary.

Feedback: Students' answers will vary, but they should aim to use and define key terms such as business ethics and social responsibility. They may also want to define and discuss the term ethical issue.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Learning Objective: 02-01 Define business ethics and social responsibility, and examine their importance.
Topic: 02-02 The Role of Ethics in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

139. What are some of the general ethical issues in business?

Answers will vary.

Feedback: General ethical issues include conflicts of interest that exist when people must choose whether to advance their own interests or those of others. Fairness and honesty relate to the general values of decision makers. Communications is another area in which ethical concerns may arise. The behaviour of businesspersons toward customers, suppliers, and others in their workplaces may also generate ethical concerns.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

140. Describe how ethics is related to the culture in which a business operates.

Answers will vary.

Feedback: In Canada, for example, it would be inappropriate for a businessperson to bring an elaborately wrapped gift to a prospective client on their first meeting—the gift could be viewed as a bribe. In Japan, however, it is considered impolite not to bring a gift. Experience with the culture in which a business operates is critical to understanding what is ethical or unethical.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

141. Academic misconduct is not pervasive in Canada. Do you agree or disagree? Why?

Answers will vary.

Feedback: According to the first major study of academic misconduct in Canada, cheating, deceit, and plagiarism were found to be serious problems. Students admitted to having engaged in some form of misconduct while completing their academic work. Seventy-three percent admitted to "serious" cheating while in high school and 53 percent of undergrads admitted they are still cheating in university.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-03 Recognizing Ethical Issues in Business

142. Mouna, a regional sales manager with WaterWorks Corp., often shops online during her office hours. In this scenario, discuss the kind of misconduct that Mouna engages in.

Answers will vary.

Feedback: In this scenario, Mouna's online shopping act is categorized as the misuse of company resources. Misuse of company resources has been identified as a leading issue in observed misconduct in organizations. Other kinds of misconduct that are similar to Mouna's act include downloading music, doing personal banking, surfing the Internet for entertainment purposes, or visiting Facebook. Other issues include spending an excessive amount of time on personal e-mails, submitting personal expenses on company expense reports, or using the company copier for personal use. While serious resource abuse can result in firing, some abuse can have legal repercussions.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Medium
Learning Objective: 02-02 Detect some of the ethical issues that may arise in business.
Topic: 02-04 Making Decisions About Ethical Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

143. How can an organization improve ethical behaviour?

Answers will vary.

Feedback: Understanding how people choose their ethical standards and what prompts them to engage in unethical behaviour may reverse the current trend toward unethical behaviour in business. Establishing and enforcing ethical standards and policies within a business can reduce unethical behaviour by describing which activities are acceptable and which are not, and removing the opportunity to act unethically. Codes of ethics and training programs can help the business create a corporate culture that encourages ethical behaviour.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

144. Discuss why it is important for companies to have codes of ethics.

Answers will vary.

Feedback: Having a code of ethics is important because it alerts employees about important issues and risks to address and provides values such as integrity, transparency, honesty, and fairness that provide the foundation for building an ethical culture. Further, it guides employees when facing gray or ambiguous situations or ethical issues that they have never faced before. In addition, it alerts employees to systems for reporting or places to go for advice when facing an ethical issue. A code of ethics also helps establish uniform ethical conduct and values that provides a shared approach to dealing with ethical decisions and serves as an important document for communicating to the public, suppliers, and regulatory authorities about the company's values and compliance. Lastly, it provides the foundation for evaluation and improvement of ethical decision making.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

145. Identify the three factors that influence business ethics.

Answers will vary.

Feedback: Three Factors That Influence Business Ethics:



Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Specify how businesses can promote ethical behaviour by employees.
Topic: 02-05 Improving Ethical Behaviour in Business

146. What are the four dimensions of social responsibility?

Answers will vary.

Feedback: Economic, legal, ethical, and voluntary concerns represent the four dimensions of social responsibility. Earning profits is the foundation of these dimensions and complying with the law is the next step. A business whose sole objective is to maximize profits is not likely to consider its social responsibility, although its activities will probably be legal. Voluntary responsibilities are additional activities that may not be required, but they promote human welfare or goodwill.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

147. Provide four arguments in favour of social responsibility.

Answers will vary.

Feedback: The Arguments for and against Social Responsibility
Business helped to create many of the social problems that exist today, so it should play a significant role in solving them, especially in the areas of pollution reduction and cleanup.
Businesses should be more responsible because they have the financial and technical resources to help solve social problems.
As members of society, businesses should do their fair share to help others.
Socially responsible decision making by businesses can prevent increased government regulation.
Social responsibility is necessary to ensure economic survival: If businesses want educated and healthy employees, customers with money to spend, and suppliers with quality goods and services in years to come, they must take steps to help solve the social and environmental problems that exist today.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

148. What are the arguments for and against social responsibility?

Answers will vary.

Feedback: The arguments for social responsibility are that it rests on stakeholder engagement and results in benefits to society and improved firm performance; businesses have financial and technical resources to address sustainability, health, and education; businesses and their employees should support society through taxes and contributions to social causes; socially responsible decision making can prevent increased government regulation; and social responsibility is necessary to ensure economic survival.
The arguments against social responsibility are that it sidetracks managers from the primary goal of earning profit; it gives them greater power, perhaps at the expense of concerned stakeholders; business may not have the expertise needed to assess and make decisions about social and economic issues; social problems are the government's responsibility; and creation of nonprofits and contributions to them are the best ways to implement social responsibility.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Medium
Learning Objective: 02-04 Explain the four dimensions of social responsibility.
Topic: 02-06 The Nature of Social Responsibility

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

149. Discuss the social responsibility issues related to providing equal opportunities for all employees, regardless of their sex, age, race, religion, or nationality.

Answers will vary.

Feedback: Women and minorities have been slighted in the past in terms of education, employment, and advancement opportunities.
In some organizations, female employees continue to be paid lower wages and salaries than men in comparable positions.
Women, who continue to bear most child-rearing responsibilities, often experience conflict between those responsibilities and their duties as employees.
Day care has become a major employment issue for women, and more companies are providing daycare facilities as part of their effort to recruit and advance women in the workforce.
Companies are considering alternative scheduling such as flex-time and job sharing to accommodate employee concerns.
Telecommuting has grown significantly over the past five to ten years.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell

150. Discuss the environmental issues managers must confront in dealing with social responsibility issues.

Answers will vary.

Feedback: Managers today must consider the consequences of their actions on the environment as a part of their social responsibility. One area of concern is the controversial business practice of animal testing for cosmetics and drugs. Business practices that harm endangered wildlife and their habitats are another environmental issue. Businesses must also be concerned with their contributions to air, water, and land pollution as a result of their operations. In response to these concerns, many firms are trying to eliminate wasteful practices, the emission of pollutants, and/or the use of harmful chemicals from their manufacturing processes.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Hard
Learning Objective: 02-05 Debate an organization's social responsibilities to owners, employees, consumers, the environment, and the community.
Topic: 02-07 Social Responsibility Issues

Access Complete Test Bank for Business A Changing World CDN 7th Ferrell