Test Bank for Business Ethics 9th Jennings

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True / False

1. Peter Drucker believes that those who have more education should be held to higher standards.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
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2. Leaders who are focused on their own goals are less likely to lose their way when it comes to ethics.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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3. Loyalty to employers can create conflicts with employees who have concerns about their employer's conduct.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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4. Peter Drucker believes that stiff punishments for executives are important in preventing unethical behavior.
   a. True
   b. False

ANSWER: True
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
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5. Peter Drucker and Albert Carr have similar views on ethics in business.
   a. True
   b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
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6. Carr believes that we make player's decisions when providing information to a prospective employer.
   a. True
   b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
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7. Albert Carr subscribes to the Golden Rule as an ethical standard.
   a. True
   b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
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8. Albert Carr believes that people have to disregard personal ethical standards in order to be successful in business.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
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9. Firing friends is not an ethical issue and is just part of Carr's business game.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
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10. The Bathsheba Syndrome causes leaders to be more cautious in the decision-making.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
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11. King David struggled with ethical issues throughout his life before he became the leader of his nation.
   a. True
   b. False

ANSWER: False
POINTS: 1

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QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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12. Hubris is at the core of the Bathsheba Syndrome.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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13. Isolation and lack of dissenting views contribute to the Bathsheba Syndrome in leaders.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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14. In the story of David and Bathsheba, Uriah is killed because of David’s orders.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
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15. Albert Carr believes that an executive who dyes his hair in order to appear younger for a job interview has committed an ethical breach.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
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16. William Wilberforce was a member of the British Parliament who fell victim to the Bathsheba syndrome.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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17. Albert Carr believes that it is unethical for a manager to make a donation to the political campaign of a candidate a customer is supporting unless the manager supports that candidate personally.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
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18. Companies are more likely to have ethical lapses when they are performing well in their earnings.

a. True

b. False

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ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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19. A company has changed its revenue reporting so that its sales at outlet stores and regular stores are grouped into one sales figure. A manager says, “This way no one can tell how our brand is doing in the full retail market.” Albert Carr would say the change is just part of the business game.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Analyze
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20. The cost of reporting our mistakes often outweighs our commitment to ethical choices.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Evaluate
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21. It would not be unethical to have your friends and families write reviews of your company and its products even though most of them do not use your company’s products.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False

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HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Evaluate
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22. You work for a construction firm that has had several employees express safety concerns about the procedures your company uses for digging basements. You raise the issue to your supervisor who explains that it would cost too much to do the job safely. Your supervisor has allowed financial pressure to cloud ethical analysis.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Apply
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23. You work for a construction firm that has had several employees express safety concerns about the procedures your company uses for digging basements. You raise the issue to your supervisor who explains that it would cost too much to do the job safely. It would be unethical for you to notify someone else about the safety problems.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Apply
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24. Albert Carr likens business to a poker game.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember

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25. Albert Carr believes that bluffing in business is justified because it is understood as part of the game of business.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
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26. Albert Carr believes that a card up the sleeve is not the same as bluffing and is a form of cheating.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
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27. Peter Drucker believes that the ethical obligation of business is to bluff within reason.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
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28. The either/or conundrum produces a comfort with ethical issues because we convince ourselves that there is no other choice.
    a. True
    b. False

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ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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29. The failure to understand that we all hit a wall once in awhile causes us to make poor ethical choices.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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30. The figures in Greek tragedies are victims of hubris.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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31. A focus on the trappings of success causes leaders to lose their way.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?

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32. Increasing isolation is a part of leadership but does not affect ethical choices.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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33. “To bribe or not to bribe” is a set-up for the either/or conundrum.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Remember
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34. Ikea fell into the either/or conundrum in solving its problems in dealing with Russian authorities.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Remember
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35. In the equation P=f(x), P stands for profits.
    a. True
    b. False

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ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
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36. During the 1990s, Goldman increased it standards for profitability before doing an IPO.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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37. Goldman was originally founded as a partnership.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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38. Fabrice Tourre was aware that the CDO market was going to crash.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
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KEYWORDS: Bloom's: Understand
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39. BP's market capitalization was not affected by the Deepwater Horizon spill.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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40. Goldman did not pay a fine to the SEC.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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41. Goldman's securities offerings in the 1920s were similar to its offerings in the mortgage-debt instruments sold in the 2000s.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
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42. BP's earnings were not affected by the Deepwater Horizon spill.
    a. True

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b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
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TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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43. BP's exploration activity decreased following the Deepwater Horizon spill.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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44. BP had no safety violations prior to the Deepwater Horizon spill.
a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
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45. BP engineers had no objections to the way Deepwater Horizon was built.
a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False

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46. BP was banned from federal drilling rights following the Deepwater Horizon spill.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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47. BP was delaying repairs as a way of cutting expenses prior to the Deepwater Horizon spill.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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48. BP CEO Hayward felt personal responsibility for the Deepwater Horizon spill.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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49. BP was using the same off-shore drilling design as other oil companies.
    a. True

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b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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50. BP had no way of knowing about the evolving issues at Deepwater Horizon.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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51. BP's focus on costs influenced its judgment and decisions on engineering issues.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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52. Smart-pigging is used to detect weakness in deepwater oil wells.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False

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KEYWORDS: Bloom's: Understand
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53. BP followed industry standards in its construction of Deepwater Horizon.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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54. BP had unaddressed safety violations at the time of the Texas City Refinery explosion.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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55. BP transferred employees who raised concerns about safety at its facilities.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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56. BP traders squeezed the pipeline to affect oil prices.
    a. True

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b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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57. BP did not use a riskier design than the industry generally used on its Deepwater Horizon rig.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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58. The federal government affected the entire oil industry with a temporary moratorium on offshore drilling following BP's Deepwater Horizon spill.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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59. BP had no warnings about its pipeline problems in Prudhoe Bay.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False

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TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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60. The Prudhoe Bay and BP refinery problems had no effect on BP's stock price.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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61. Valeant specialized in one-of-a-kind drugs.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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DATE MODIFIED: 9/2/2017 12:59 PM

62. Valeant did not work closely with insurers on reimbursement for its prescription drugs.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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63. The only ethical issue involved in the Valeant case was its pricing model.
    a. True

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b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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64. The SEC does not require disclosures about health issues involving CEOs of publicly traded companies.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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65. Valeant stripped out restructuring and acquisition costs to make its look like it was more profitable.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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66. Valeant admitted that it had a transparency problem with its investors.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False

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TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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67. Goldman's Internet IPOs were allocated openly.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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68. Goldman changed its status in 2008 to come under Federal Reserve regulation.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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69. Goldman withheld information from investors about auction rates.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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70. Goldman tried to avoid "toes-to-the-line" kinds of activities when it came to regulatory compliance.
    a. True

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b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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71. Goldman was positioning itself short in debt instruments it was selling to its clients.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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72. Only former assistant coach Jerry Sandusky was criminally charged in the Penn State case.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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73. No one at Penn State was aware of Mr. Sandusky’s conduct with minor-aged boys until 2011.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False

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TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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74. Penn State officials did not comply with the reporting requirements regarding Mr. Sandusky's conduct.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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Multiple Choice

75. Which of the following would Peter Drucker favor as a way of encouraging ethical behavior in business?
    a. Harsh penalties for executives
    b. Exemptions from fines for corporations
    c. Turning control of corporations over to government agencies
    d. Both b and c
ANSWER: a
POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 1:10 PM
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76. Which of the following would not be acceptable behavior in business according to Albert Carr?
    a. Planned obsolescence
    b. Saying you read certain magazines in order to get a job
    c. Bribing employees to get technological information from competitors
    d. All of the above are acceptable behavior to Carr
ANSWER: d
POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?

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KEYWORDS: Bloom's: Analyze
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77. The Bathsheba Syndrome:
   a. Is something Albert Carr believes is important in business leaders.
   b. Is a doctrine Peter Drucker uses to explain ethical leadership.
   c. Is destructive once individuals become leaders.
   d. Affects very few managers.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
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78. Which of the following is being used when someone says, “I had no choice”?
   a. Peter Drucker’s view on decision-making
   b. The either/or conundrum
   c. An effective use of logic
   d. Both b and c

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Apply
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79. What does P = f(x) mean?
   a. Pricing is a function of maximizing profits.
   b. The price of ethics is a function of profits lost.
   c. The probability of an ethical outcome is a direct function of the amount of money involved.
   d. The probability of an either/or conundrum is a function of pressure.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?

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KEYWORDS: Bloom's: Remember
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80. BP's approach to safety prior to the Deepwater Horizon spill was:
   a. Spending less on safety.
   b. Spending whatever was needed to comply with regulations.
   c. Spending when there is an injury.
   d. None of the above

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Analyze
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81. Valeant was able to make money by:
   a. Developing new drugs through research.
   b. By acquiring drugs from other companies and increasing prices.
   c. By increasing prices on the drugs they owned that were unique.
   d. None of the above

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Remember
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82. Goldman Sach's deal put together for Mr. Paulson:
   a. Found Goldman positioned against its clients.
   b. Was handled completely by Mr. Paulson.
   c. Was another laddering deal.
   d. Did not develop any problems.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business

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KEYWORDS: Bloom's: Understand
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83. If information posted on Yelp harms a business:
a. Yelp is required to removed the information.
b. Yelp is liable for the damage to the business.
c. Yelp is not responsible if the information is an opinion.
d. Yelp must arbitrate the content between the posting party and Yelp.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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84. Marie has a team of two women come to clean her home and work space, located adjacent to her home. The team, Clean Spot, comes in every week at 9:30 AM on Thursday. Marie is going on vacation for two weeks and tells the Clean Spot ladies that she will not need them for two weeks. Clean Spot has reserved Marie's time and is unable to make up the lost income. Marie's husband tells Marie, "Look they pledge that time to us, and they can't substitute very easily. You should pay them – like a vacation time." Marie says, "I don't have a contract with them. It is just a cleaning service. There is no guarantee of income. I could also let them go anytime for someone else." Marie's husband says, "But then they could take on a new client." Marie says, "I have no legal obligation to pay them." Which of the following is correct?
a. Marie follows Peter Drucker's theory of do no harm.
b. Marie follows Albert Carr's view of ethics.
c. Marie follows the P= f(x) theory of ethics.
d. None of the above

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How do They Work Together?
KEYWORDS: Bloom's: Apply
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85. Kaitlin is retiring as the office administrator for an engineering firm. In the months leading up to her retirement date, Kaitlin has had the student interns in the front office take boxes of office supplies including Kleenex, paper towels, tablets, pencils, pens, and toilet paper to her car. The interns are worried about what they are doing and ask Kaitlin about the supplies. Kaitlin says, "Look, I have given this company 35 years. They owe me something for all that I have done. And the pension they are giving me is not going to cover my living expenses." The interns agree that Kaitlin is correct, saying, "What choice does she have?" The interns just keep moving the supplies out to Kaitlin's car. Which of the following applies to the interns' views on ethics?
a. The either/or conundrum
b. The Peter Drucker view of "do no harm"

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c. They are succumbing to pressure
d. The gray area

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Analyze
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86. Westside Exterminating specializes in termite inspection and treatments for homes and buildings. Westside's contract guarantees that the Westside termite treatment will keep "your property termite-free for five years." The Richards had Westside treat their property. After one year, the Richards discovered that there were termites in their trees. They called Westside and requested help with the trees. Westside explained that "Property" covers structures, but not the yard, plants, and trees. The Richards did not understand that limitation. Westside says, "We lose a customer here and there once they find out about the "property" limitation, but we just keep signing people up and continue to make money." Which theory of business ethics does Westside follow?

a. Peter Drucker
b. The credo theory
c. Albert Carr
d. Both a and b

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How do They Work Together?
KEYWORDS: Bloom's: Apply
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87. Rod Mohr was having trouble sleeping. His physician prescribed a CPAP machine. Rod's insurance covers the machine for 30 days, with physician certification that the patient is using the machine every night and that the patient is seen every 30 days. After 30 days, Rod went to see his doctor and the doctor asked if he was using the machine. Rod said, "Well, I use it, but about half the time." Rod's physician says, "I am going to go ahead and certify that you are using it daily. But let's do better this next month. I am not really fond of all this insurance intervention into how I treat my patients, and insurers have plenty of profits. So, I am just signing." Which of the following best describes the physician's decision?

a. The physician framed the decision from his perspective as a doctor.
b. The physicians framed it as helping out a patient.
c. The physician framed it as insurers being able to afford the coverage.
d. All of the above

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice

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HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Analyze
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88. Rod Mohr was having trouble sleeping. His physician prescribed a CPAP machine. Rod's insurance covers the machine for 30 days, with physician certification that the patient is using the machine every night and that the patient is seen every 30 days. After 30 days, Rod went to see his doctor and the doctor asked if he was using the machine. Rod said, "Well, I use it, but about half the time." Rod's physician says, "I am going to go ahead and certify that you are using it daily. But let's do better this next month. I am not really fond of all this insurance intervention into how I treat my patients, and insurers have plenty of profits. So, I am just signing." Which of the following is correct?

a. There is no ethical issue because the question is adequate health care for Rod.
b. The physician used an either/or reasoning to justify the false certification.
c. Since Rod is still using the machine, the certification is accurate.
d. Because this decision is not personally beneficial to the physician, there is no ethical issue.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Analyze
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89. Allison Bond is dating Greg Evans. Both Allison and Greg work for the same federal contractor. They live on different sides of the closest city and commute separately to work. Employees are required to have parking decals issued to them for parking in the company lot. The decals are issued to individual employees and matched to their vehicles because of security reasons. The top secret work of the contractor requires that security be able to identify cars in the lot as associated with employees. Greg has a decal and Allison does not because there is a $100 annual fee for processing employees' decals. Employees are given the option of parking at an open lot 2 miles from the company and taking a free bus ride to the company building. Greg has been assigned to work out of the country for the company for three months. Greg tells Allison to just use his decal for three months. Allison's car is similar to Greg's. Allison has begun using Greg's decal to park in the company lot to avoid the 2-mile bus ride. Which of the following statements is correct?

a. Because Allison's car is similar to Greg's a security issue will not result, so there is no ethical issue in her use of the decal.
b. Because Allison works at the company, her use of another employee's decal is not an ethical issue.
c. Because Allison's use is only temporary, there is no ethical issue.
d. None of the above

ANSWER: d
POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Evaluate
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90. Peter Duncan started a small Internet company that specializes in cleaning up websites that have been hacked. Peter explains to potential customers that he charges $350 to go into a site and clean up whatever the hackers have done. When he is finished, he notifies the customers by e-mail that their site is now clean. However, Peter changes the password accesses to their site and explains to the customers that he cannot release the passwords to them unless they sign up for the $99 annual package that will keep their sites clean and eliminate any problems with subsequent hackers. The customers cannot gain administrative access to their sites without the passwords. Peter explains, "They need help. I fix what's wrong, but I also help them going forward because without a package, they can't keep their sites clean." Which of the following statements is correct?

a. Peter has engaged in deception in his pricing.
b. Peter is just using an effective tool for retaining customers.
c. Peter has framed the issue for the benefit of his customers and is not doing any harm.
d. Both b and c

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's Evaluate
DATE CREATED: 9/2/2017 1:55 PM
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91. Junius Wright is applying for a position with a federal contractor. Junius was a member of the Communist party for 2 years during college. A question on the application asks, "Have you ever been a member of an organization that supported subversive activity against the United States?" Junius answers "no" because in his chapter, no one ever discussed activity against the United States. Which of the following statements is correct?

a. Junius has answered the question truthfully.
b. Junius could not make a mistake in answering either way because of the question's ambiguity.
c. Junius has the goal of getting a job and answering the question with a "yes" is unethical because it could deprive him of that goal.
d. Junius should make the disclosure of his membership.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's Evaluate
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92. Which of the following feels that business is like a big poker game and that bluffing in business is expected and acceptable?

a. Laura Nash
b. Peter Drucker
c. Ayn Rand
d. Albert Carr

ANSWER: d

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POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
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93. *Primum non nocere* is associated as an ethical philosophy of:
    a. Plato.
    b. Aristotle.
    c. Peter Drucker.
    d. Laura Nash.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
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94. Which company uses *primum non nocere* as its credo?
    a. AIG
    b. ABC TV
    c. ImClone
    d. Johnson & Johnson

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:12 PM
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95. Which of the following is not a Goldman cultural philosophy?
    a. Filthy rich by forty
    b. Long-term greedy
    c. The customer is first and foremost
    d. Don’t kill the marketplace

ANSWER: c

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POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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96. As a result of the Goldman “trading huddles”:
    a. Auction-rate securities are now illegal.
    b. There are now new regulations of analysts.
    c. Investment banking houses can no longer employ analysts.
    d. The definition of sophisticated investors has been changed.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Evaluate
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97. In the Goldman Abacus deal, who determined what mortgages went into the investment pool?
    a. Fabrice Tourre
    b. ACA
    c. John Paulson
    d. Lloyd Blankfein

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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98. How did Goldman avoid violation of SOX in advancing cash to two of its officers?
    a. It made them a loan
    b. It made them an interest-free loan
    c. It purchased stock from the executives
    d. It had them issue a promissory note

ANSWER: c

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POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
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99. What was AIG's role in the Goldman stock offerings?
    a. It was the insurer for losses on those offerings
    b. It was the underwriter
    c. It disclosed Goldman's conduct to the SEC
    d. It had no role with Goldman

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 2:22 PM
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100. CDOs:
    a. Are illegal.
    b. Are collateralized debt obligations.
    c. Are not securities.
    d. Could not be hedged.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 2:24 PM
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101. Why did it take so long at Penn State for the conduct of Jerry Sandusky to emerge?
    a. Because Jerry Sandusky was not doing anything illegal
    b. Because state government moves so slowly
    c. Because of the culture of Penn State
    d. It did not take a long time – it was reported and acted on immediately

ANSWER: c

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POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Evaluate
DATE CREATED: 9/2/2017 2:27 PM
DATE MODIFIED: 9/2/2017 2:28 PM

102. What was a similarity between the culture of Goldman and Penn State?

a. Both involved failures by executives to curb pay
b. Both involved executives involved in hiding illegal conduct
c. Both involved investigations that began immediately and dragged on for years
d. None of the above

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Analyze
DATE CREATED: 9/2/2017 2:30 PM
DATE MODIFIED: 9/2/2017 2:31 PM

103. Whitfield Nurseries obtains many of its products from Mexico and Central America. Whitfield sends gifts to government officials in the countries it does business in so that its purchases can be shipped to the United States very quickly without the customs hassles. Whitfield explains, “Look, this is what it takes to do business in these countries.” Which ethical school of thought does Whitfield follow?

a. Peter Drucker
b. Virtue ethics
c. Albert Carr
d. Both a and b

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 2:32 PM
DATE MODIFIED: 9/12/2017 5:09 PM

104. Which of the following is an example Albert Carr uses to illustrate bluffing?

a. A job applicant over 40 who dyes his hair
b. A woman wearing make-up
c. A job applicant who changes the list of magazines he reads on the job application

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d. Carr uses all of the above examples

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 2:34 PM
DATE MODIFIED: 9/2/2017 2:36 PM

105. When a company announces that an executive is "Leaving to spend more time with his family":
a. It means the executive is retiring.
b. It means that the executive has a health problem.
c. It means that the executive is probably leaving for a different reason.
d. It means that the executive is leaving to spend more time with his family.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 2:37 PM
DATE MODIFIED: 9/2/2017 2:38 PM

106. In the Penn State case, who is Vicky Triponey?
a. She was the attorney general for Pennsylvania
b. She was legal counsel for Penn State
c. She was the mother of one of the boys who was molested by Jerry Sandusky
d. She was the Penn State standards and conduct officer

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:40 PM
DATE MODIFIED: 9/2/2017 2:42 PM

107. Which of the following are <u>not</u> public relations statements made when an executive leaves a company?
a. “His performance was not what the board expected.”
b. “He is leaving to spend more time with his family.”
c. “She is leaving to pursue other interests.”

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d. “He is leaving for reasons involving his extended family.”

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:43 PM
DATE MODIFIED: 9/12/2017 5:10 PM

108. What was the issue with Valeant’s accounting?
a. Timing on booking of sales revenues
b. GAAP vs. non-GAAP accounting
c. Structuring and acquisition charges
d. All of the above

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 2:46 PM
DATE MODIFIED: 9/2/2017 2:47 PM

109. In the Penn State case, who was charged with criminal activity?
a. The president of the university
b. Joe Paterno
c. The janitor who did not report what he witnessed
d. Michael McQueary

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:48 PM
DATE MODIFIED: 9/2/2017 2:49 PM

110. Who was the key witness against Mr. Sandusky at his trial?
a. Joe Paterno
b. The Penn State athletic director
c. The janitor at the football facilities

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d. Michael McQueary

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:50 PM
DATE MODIFIED: 9/2/2017 2:51 PM

111. Which of the following is a correct statement reflecting Goldman's credo?

a. We have a duty to serve our clients well.
b. We have a legal fiduciary duty to our clients.
c. We have to help clients avoid risky and overly complex investments.
d. We have a duty to follow the spirit of the law.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Evaluate
DATE CREATED: 9/2/2017 2:52 PM
DATE MODIFIED: 9/2/2017 2:54 PM

112. Which of the following best reflects the Patriots' attitude about rules?

a. There is a difference between rule-breaking and rule-bending.
b. Taking creative advantage is not breaking any rules.
c. There is not a clear line between bend and break.
d. All of the above

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Evaluate
DATE CREATED: 9/2/2017 2:54 PM
DATE MODIFIED: 9/2/2017 2:55 PM

113. What did the Freeh report on Penn State conclude?

a. That the university needed to just provide more training for employees regarding minors on campus
b. That the administrators had done the best that they could in handling the situation
c. That the Board of Trustees had acted inappropriately

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d. That Joe Paterno had fulfilled all of his duties to report

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:56 PM
DATE MODIFIED: 9/2/2017 2:57 PM

114. What were the NCAA sanctions originally imposed on Penn State?

a. The so-called death penalty plus a fine
b. There were no sanctions except a fine
c. A suspension of the football program
d. Penn State was stripped of all of Paterno's 112 wins

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 2:57 PM
DATE MODIFIED: 9/2/2017 2:59 PM

115. What statutory duty did the Penn State University officials have regarding Mr. Sandusky's conduct?

a. To report it to the proper authorities
b. To terminate Mr. Sandusky
c. To report it to the NCAA
d. To conduct an investigation

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 3:00 PM
DATE MODIFIED: 9/2/2017 3:01 PM

116. Who said, “What’s good for me is good for all shareholders”?

a. The chairman of General Motors
b. Jeff Dachis of Razorfish
c. Bill Gates

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d. Sir Alfred Coke

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 3:02 PM
DATE MODIFIED: 9/2/2017 3:03 PM

117. Who said a corporation has no conscience?

a. The chairman of General Motors
b. Jeff Dachis of Razorfish
c. Bill Gates
d. Sir Alfred Coke

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 3:04 PM
DATE MODIFIED: 9/2/2017 3:05 PM

118. A customer of a small remodeling firm wrote an online review, “They are the worst. They took 4 weeks longer than they said. The quality of work was poor. I had a really bad experience with them.” Which of the following is accurate about this review?

a. It is illegal to post such reviews online.
b. The customer cannot include opinions such as, “They are the worst.”
c. The review is legal if the writer was actually a customer of the company.
d. The FTC can remove the review from online.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Apply
DATE CREATED: 9/2/2017 3:06 PM
DATE MODIFIED: 9/2/2017 3:08 PM

119. One newspaper headline, following Prudhoe Bay and the refinery explosion read, “BP = Big Problems for Oil Giant.” Who of the following would feel a connection with the headline test?

a. Peter Drucker

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b. Warren Buffett
c. Albert Carr
d. Robert Halfon

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Apply
DATE CREATED: 9/2/2017 3:09 PM
DATE MODIFIED: 9/2/2017 3:11 PM

120. What accident at BP was a precursor to the Deepwater Horizon explosion?
a. The Texas City refinery
b. Prudhoe Bay pipeline
c. The Atlantis rig
d. There were no other deepwater wells that BP had that gave it experience and insight

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Evaluate
DATE CREATED: 9/2/2017 3:15 PM
DATE MODIFIED: 9/2/2017 3:16 PM

121. Who named BP the world's most admired company?
a. *Fortune*
b. *Business Ethics*
c. *Business Week*
d. *Forbes*

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Remember
DATE CREATED: 9/2/2017 3:17 PM
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122. What industry practice had BP failed to follow for its Prudhoe Bay pipeline maintenance?
a. Smart-pigging

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b. Pipe flow tests
c. Pipe inspections
d. BP did all of the above

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Understand
DATE CREATED: 9/2/2017 3:19 PM
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Essay

123. Why do companies issue press releases when executives depart that indicate the executives are leaving to spend more time with their families? What are the ethical issues in issuing such statements if they are not true?

ANSWER: The companies issue the family-time statements to avoid further questions about the real reasons for departure. Such statements help the company to avoid further scrutiny of issues that might or have affected financial performance. However, if the executive leaves and does not in fact spend more time with family the result is that both the company's and the individual executive's credibility are compromised. Those affected by the false impression are the shareholders, the company, the individual executive, the executive's family, the new organization that the executive joins after leaving, and the public relations department, officer, and/or company responsible for the release of the family-time statement.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Analyze
DATE CREATED: 9/2/2017 3:34 PM
DATE MODIFIED: 9/2/2017 3:36 PM

124. Discuss how the ethical views of the New England Patriots and Goldman Sachs are similar. Also discuss whether the two organizations follow the Drucker or Carr views on ethics in business.

ANSWER: The first similarity between the Patriots and Goldman Sachs is that they are both phenomenally successful organizations in terms of performance in their respective industries.

The second similarity is that both organizations comply with laws and regulations on their face and are able to craft loopholes for themselves in how those regulations apply to their efforts. The Patriots did film, but limited the time of filming. Goldman held morning huddles to avoid having certain people present for the discussions. If a rule does not specifically prohibit conduct, both organizations engage in the conduct.

Both organizations are classic Carr disciplines – there is a game to be played and to get ahead you take advantage of all possible loopholes.

POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Essay
HAS VARIABLES: False

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TOPICS: Business and Ethics: How Do They Work Together?
What Gets in the Way of Ethical Decisions in Business
Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Analyze
DATE CREATED: 9/2/2017 3:36 PM
DATE MODIFIED: 9/2/2017 3:40 PM

125. James and Jennifer Stolpa and their five-month old son, Clayton, were stranded outdoors in a snowstorm for 8 days. They were rescued after James left Jennifer and Clayton in a cave and hiked 30 miles in subfreezing temperatures to get help.

During the time they were stranded, the Stolpas ate Doritos-brand corn chips that they had with them in their car. When they were rescued and taken to the Washoe Medical Center for treatment of severe frostbite, they were visited by boxing champ, George Foreman. Mr. Foreman is a spokesperson for Doritos. His visit to the Stolpas earned national press and television coverage that emphasized the Doritos consumption.

If you were an executive with Doritos, would you have sent Mr. Foreman to the hospital?
ANSWER: The issues here are that of privacy and propriety. The chip maker would be capitalizing on the injuries and suffering of a family with a fairly peripheral fact that they happened to have Doritos in the car. The family can consent to Mr. Foreman's appearance and the cameras rolling, but it is a fairly intense situation for them. The added sales from eating the same chips the stranded family did may not be as significant as the marketing folks may believe.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Apply
DATE CREATED: 9/2/2017 3:41 PM
DATE MODIFIED: 9/2/2017 3:42 PM

126. James Comey, the former director of the Federal Bureau of Investigation (FBI) was fired by President Donald Trump. Following his termination, Mr. Comey gave a memo he had written about his interactions with Mr. Trump to Professor Daniel Richman. Mr. Comey told Professor Richman, “Make sure this gets out there.” Professor Richman then shared the content of the memo to the *New York Times.* Mr. Comey’s memo was written on a FBI computer and in FBI offices and facilities. Under the United States Code, 18 U.S.C. § 641 Federal Records Act, federal employees who end their employment are not permitted to take federal property with them, including files, memos, records (electronic and otherwise). After the leak, Mr. Comey testified at a Senate hearing about his meetings with Mr. Trump, his termination, and why he leaked the memo to his friend. He explained, “I didn’t do it myself for a variety of reasons, but I asked him to, because I thought that might prompt the appointment of a special counsel.” Apply the either/or conundrum in analyzing Mr. Comey’s decision to leak the memo in violation of the law.
ANSWER: Mr. Comey framed the issue as he had to get the information to the media in order to be sure that his side of the story in his interactions with Mr. Trump was told. However, Mr. Comey did not reflect on the question that avoids the either/or conundrum: is there a way to accomplish what you need to do besides breaking the law? Mr. Comey had alternatives, including his scheduled testimony, asking the inspector general (ethics officers in government agencies), going to the head of the Senate committee where he would testify, or going public himself to explain what had happened. The story could be told without violating the federal law on not releasing federal documents except through authorized channels.
POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?

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KEYWORDS: Bloom's: Analyze
DATE CREATED: 9/2/2017 3:43 PM
DATE MODIFIED: 9/12/2017 5:14 PM

127. During a recognition event Jesse Stevens, a manager in a large corporation, chose to forego the corporation's usual pizza vendor and placed an order with a more expensive pizza vendor with whom he has a personal friendship. When one of Jesse's employees asked about the new vendor, Jesse said, "Everyone does this kind of thing. Might as well help your friends out when you can." Explain Jesse's position on ethics in business.

ANSWER: Jesse is an Albert Carr believer. He does not see a conflict of interest; he sees an opportunity to help a friend by giving his company's business to the friend, ignoring the costs to the company. His loyalty is divided and it is a conflict of interest, but the cause is noble, that of helping out a friend even if he crosses a few ethical lines in the process.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Apply
DATE CREATED: 9/2/2017 3:47 PM
DATE MODIFIED: 9/2/2017 3:48 PM

128. The Carnegie Deli in New York City was closed for 10 months because utility workers discovered that the deli had tapped into the city gas lines in order to obtain free gas for cooking. The utility determined that the deli had been siphoning gas for at least 6 years. The utility shut off the gas to the deli building until there could be a proper installation of a metered gas line. Discuss why the deli did what it did, why, and what the costs were.

ANSWER: Like so many businesses in this unit the deli was trying to save money. However, the deli was also taking property of another and not being fair to those who are paying customers. The end result was no revenue for 10 months, something that perhaps cost more than the free cooking gas. The decision, like in BP, was a short-term cost-saving one with cost consequences not anticipated in making the decision.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Analyze
DATE CREATED: 9/2/2017 3:48 PM
DATE MODIFIED: 9/2/2017 3:49 PM

129. Raymond Randall is an attorney with the Federal Trade Commission. A 19-year veteran with the agency, Mr. Randall was known as a good trial attorney. The FTC charged William Farley, the chairman of Fruit of the Loom, Inc., with violations of the reporting provisions of the Hart-Scott-Rodino Act, when he purchased shares of West Point-Pepperell Corporations prior to a Fruit of the Loom takeover bid. The Hart-Scott-Rodino Act requires investors to notify the government when their holdings in a firm pass $15 million.

The FTC sought a fine of $10,000 per day against Mr. Farley, for a total of $910,000. Mr. Farley did notify the FTC once Fruit of the Loom made its decision to acquire West Point-Pepperell. Randall was assigned the Farley case. The FTC took a position of refusing to disclose to Farley and his attorneys documents relating to the case. Mr. Randall felt that the documents pointed to weaknesses in the FTC case and supported Mr. Farley's point that he notified the FTC once the takeover position was announced. Mr. Randall leaked the documents to Mr. Farley's lawyer.

Mr. Farley's lawyers were concerned that they should not be in possession of government documents returned the documents and resigned from the case because they had seen the documents. Mr. Farley's new attorneys went to court

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demanding production of the documents. The documents were ordered produced by the court. When the FTC refused to produce them, the case against Mr. Farley was dismissed by a federal district judge.

a. Did Mr. Randall do the right thing in disclosing the documents to Farley's attorneys?

b. Did Mr. Farley's lawyers do the right thing in returning the documents to the FTC?

ANSWER: a. Mr. Randall was engaged in a form of civil disobedience. He knew that the documents were government property and enjoyed the protection of the courts, but he also felt that Mr. Farley was being prosecuted without sufficient evidence. Mr. Randall's principles, values and ethics took control of the situation and he sent the documents as a means of allowing Mr. Farley access to the information. It is important to note that Mr. Randall's action should have been his last choice. Did he go to those within the agency and attempt to resolve the problem? He should also consider his loyalty to his employer and his responsibilities as an attorney before taking the action that he did which was a form of civil disobedience.

b. Mr. Farley's attorneys acted with the utmost integrity in returning the documents and resigning from the case. They made some difficult choices and not only followed the law but then resigned from the case because they had seen things they were not permitted to see. Their forthright actions probably helped Mr. Farley with the court and provided great credibility for Mr. Farley and his new attorneys as they successfully pursued the dismissal.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Analyze
DATE CREATED: 9/2/2017 3:50 PM
DATE MODIFIED: 9/2/2017 4:14 PM

130. Frank Hoffman is the CEO of Triple Plus, Inc., a group of four successful restaurants in the Southwest. One member of the Triple Plus board of directors, Sam Wasson, has a daughter, Chelsea Wasson, who has just started Chelsea's Cloths, a business that supplies restaurant linens. Wasson has approached Hoffman to explain Chelsea's business. Chelsea's Cloths has adopted an environmental emphasis in its operations as a way of countering the industry trend toward the use of paper products in restaurants. Sam Wasson initially recruited Hoffman as CEO, was instrumental in having the board select Hoffman, and is one of Hoffman's strong backers. Wasson supported Hoffman when other board members were impatient with his new procedures, policies, and changes.

Ordinarily, when someone approaches Frank Hoffman with information on a new supplier, he takes the information and refers it to the purchasing/supply area or refers the person directly to the manager of purchasing. In this case, Frank personally presented the information to Triple's purchasing manager, Deidre Hall. Frank offered Deidre the Chelsea's Cloths brochure and card and explained, "She is Sam Wasson's daughter. She just graduated in marketing from State University last June and now has her own firm. See what you can do. Our contract with Lila's Linens is up for renewal. Maybe we can do something."

Deidre evaluated Chelsea's and Lila's proposals as well as that of an additional firm in making the purchasing decision. Although the pricing between Chelsea's and Lila's is equivalent, Chelsea's is too young a firm to have a track record, and Deidre is not convinced that Chelsea's can handle Triple's large account. Given Mr. Hoffman's interest, however, Deidre is confused about what recommendation to make.

a. Should Deidre recommend Chelsea's firm or offer her true recommendation?

b. Would it be ethical for Hoffman to change Deidre's decision?

c. What if Wasson had requested bid information so that his daughter could be competitive? Should Deidre supply it? Should Hoffman direct Deidre to supply it?

d. Can you solve the conflict without offending the director?

e. Does Hoffman need to be concerned about how his intervention would reflect the "tone at the top"? Could

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employees misinterpret his actions?

ANSWER: a. Deidre is in a tense spot with which students can identify. They know the correct decision to be made but may be feeling some pressure from a superior to make a different decision.

Deidre should make her recommendation as she has evaluated it and give her justifications. It is a business decision based on concerns about the viability and reliability of a new business. Deidre can also explain that Chelsea's is price-competitive and that she would be willing to consider Chelsea's once more references and a track record are available.

b. Hoffman should not reverse Deidre because it undermines her authority and confidence as the person responsible for purchasing. Also, Hoffman needs to consider the appearance of board presence and pressure being used to force the company to enter into contracts it would otherwise not choose. Troubles in the company at any time will bring a laundry list of these types of transactions that will prove damaging to Hoffman, Triple Plus and Chelsea's. Hoffman is in a position to explain to Wasson that his daughter's firm looks very good to them and that once she establishes a record with some smaller accounts, purchasing would be willing to have her work with them.

c. No bid information should be given to Chelsea's as a favor to Sam Wasson. See below.

d. Many corporations' ethics policies require directors to disclose conflicts of interest; i.e., situations in which they or a family member benefit through a contractual relationship with the corporation. Wasson may have that obligation here.

e. Hoffman's intervention would send a signal to employees about the way the company does business and how contracts are awarded. It may seem like a one-time intervention, but Hoffman would actually be establishing the tone for the company. Employees would learn that who you know is the standard for behavior and not what's best for the company. Hoffman's intervention would do damage to the ethical atmosphere of the firm.

Legal Issues

Both Sam Wasson and Frank Hoffman are fiduciaries of Triple Plus. The transactions they enter into must be in the best interest of the corporation. Since the purchasing manager's decision has been made, neither should use their authority or influence to change that decision. Further, the disclosure of bid information in advance would be a violation of those fiduciary duties.

POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Evaluate
DATE CREATED: 9/2/2017 3:53 PM
DATE MODIFIED: 9/2/2017 4:06 PM

131. Discuss why Goldman Sachs was a disciple of Albert Carr's theory of "business is a poker game and we are all bluffing."

ANSWER: Students should discuss the "toes to the line" approach of Goldman on analysts vs. strategists and sophisticated investors. Also, Goldman managed to interpret the law so that it did not disclose its position in the Abacus deal nor did it disclose until AFTER the collapse of the market that it was taking positions against those of its clients. Goldman also did not disclose its role in setting prices in the auction-rate securities markets. The students should discuss whether this was a card up the sleeve or whether this was simply bluffing. The case indicates a split in views between Goldman and outsiders on whether they behaved ethically and honored their fiduciary duties. The case is, therefore, a classic illustration of one of the flaws in Carr's theory – we all don't share the same perception as to what is bluffing and what is a card up the sleeve.

POINTS: 1
DIFFICULTY: Hard

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QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: Resolving Ethical Dilemmas in Business
KEYWORDS: Bloom's: Evaluate
DATE CREATED: 9/2/2017 4:15 PM
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132. In May 2010, Martha Stewart gave an interview to the *New York Times* magazine in which she was asked, "Do you find it odd that the SEC investigated you for insider trading, which resulted in your conviction in 2004, while letting a sociopath like Bernie Madoff run unchecked?" (Mr. Madoff ran a $50 billion Ponzi scheme). Ms. Stewart responded, "Let me just say one thing. They should have been paying closer attention to other things." She then added that she never stole anyone's money like Madoff did.

Evaluate Ms. Stewart's comments in the context of ethical analysis, a credo, and her attitude about ethics in business.

ANSWER: Students should discuss the fact that Ms. Stewart sees her conduct as very different from Mr. Madoff's but they both broke the law, they both took advantage of other people in business, and they both tried to hide their conduct in order to continue to make money. There is an inability to do the introspection on our own conduct to see what we are doing or have done. Ms. Stewart goes by degrees – it is not that the conduct is wrong – it is how much of the conduct that is done that controls her view of right and wrong. Magnitude is the issue, not the conduct.
POINTS: 1
DIFFICULTY: Hard
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: Business and Ethics: How Do They Work Together?
KEYWORDS: Bloom's: Evaluate
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133. An environmentalist stated, following the BP Prudhoe Bay pipe problems, "These companies simply cannot behave responsibly," and went on to voice objection to opening up ANWR for drilling. Discuss the long-term implications of BP's decision to keep maintenance costs low.

ANSWER: The students should discuss that companies have to make decisions based on numbers and risk before them. However, how does one quantify the loss of the ability to drill in ANWR? Also, it's difficult to see that connection that is so non-quantifiable. Companies fail to consider long-term and safety issue costs when there is an accident – there was also the effect on BP's stock price as a result.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
TOPICS: What Gets in the Way of Ethical Decisions in Business?
KEYWORDS: Bloom's: Evaluate
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