Test Bank for Business Its Legal Ethical and Global Environment 11th Jennings

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TRUE/FALSE

1 : Business ethics provides a guarantee of profitability.
A : true
B : false

Correct Answer : B

2 : Unethical behavior is not necessarily illegal behavior.
A : true
B : false

Correct Answer : A

3 : A lack of business ethics can result in a lack of business goodwill.
A : true
B : false

Correct Answer : A

4 : Business ethics is the application of standards for moral reasoning to business dilemmas.
A : true
B : false

Correct Answer : A

5 : Situational ethics is also known as moral relativism.
A : true
B : false

Correct Answer : A

6 : Natural law and positive law are one and the same theories of moral standards.
A : true
B : false

Correct Answer : B

7 : Milton Friedmans standard for business social responsibility is one that requires a company to do all that it can for its community.
A : true
B : false

Correct Answer : B

8 : The inherence school is one that follows the standard of societys interest coming first.
A : true
B : false

Correct Answer : B

9 : The enlightened self-interest school manager serves only the shareholder.

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A : true
B : false

Correct Answer : B

10 : Invisible hand managers do not become involved in social issues.
A : true
B : false

Correct Answer : A

11 : The social-responsibility school holds that businesses profit by being responsive to society.
A : true
B : false

Correct Answer : A

12 : Business self-regulation has been effective in solving social problems.
A : true
B : false

Correct Answer : B

13 : Giving a false impression, although not actually an untruth, is still an ethical violation.
A : true
B : false

Correct Answer : A

14 : A code of ethics is an individual firms behavior standard for employees.
A : true
B : false

Correct Answer : A

15 : Most businesses today do not have a code of ethics.
A : true
B : false

Correct Answer : B

16 : Condoning unethical behavior is an ethical breach.
A : true
B : false

Correct Answer : A

17 : Personal choices and lifestyles have no impact on ones business ethics.
A : true
B : false

Correct Answer : B

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18 : The front page of the newspaper test is an application of whether conduct gives the appearance of impropriety.
A : true
B : false

Correct Answer : A

19 : The first question of the Blanchard/Peale model for resolving ethical dilemmas is whether the conduct is legal.
A : true
B : false

Correct Answer : A

20 : Whether everyone else does it is one method for evaluating the ethics of a particular course of action.
A : true
B : false

Correct Answer : B

21 : I was just following orders, is a defense in law and a test for ethical behavior.
A : true
B : false

Correct Answer : B

22 : Sexual harassment is a form of interpersonal as well as organizational abuse.
A : true
B : false

Correct Answer : A

23 : A relativist asks why someone is engaged in unethical or illegal conduct before determining whether the conduct is right or wrong.
A : true
B : false

Correct Answer : A

24 : Thats the way it has always been done, is a phrase that often signals ethical difficulties.
A : true
B : false

Correct Answer : A

25 : The first question of the Wall Street Journal model is whether the conduct complies with the law.
A : true
B : false

Correct Answer : A

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26 : In the Parable of the Sadhu, the hikers are certain the religious pilgrim survived.
A : true
B : false

Correct Answer : B

27 : In the Parable of the Sadhu, the hikers climb is successful.
A : true
B : false

Correct Answer : A

28 : Ethics can provide a strategic advantage for companies.
A : true
B : false

Correct Answer : A

29 : A 2012 Josephson Institute study found nearly half of high school students copied homework from other students.
A : true
B : false

Correct Answer : B

30 : Rationalization is an effective means of analysis for ethical issues.
A : true
B : false

Correct Answer : B

31 : An ethics officer and/or ethics hotline are both critical to an ethical culture in a company.
A : true
B : false

Correct Answer : A

32 : The least corrupt countries have the most stable economies.
A : true
B : false

Correct Answer : A

33 : Everybody else does it is a valid test for determining whether conduct is ethical.
A : true
B : false

Correct Answer : B

34 : Warren Buffett follows the Front-Page-of-the-Newspaper test as a guide for his businesses.
A : true
B : false

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Correct Answer : A

35 : Compliance with the law meets all ethical standards.
A : true
B : false

Correct Answer : B

36 : The level of cheating in high schools and colleges is declining.
A : true
B : false

Correct Answer : B

37 : Sarbanes-Oxley is extensive congressional reform of federal laws that apply to corporations.
A : true
B : false

Correct Answer : A

38 : An anonymous reporting system is a requirement for companies under Sarbanes-Oxley.
A : true
B : false

Correct Answer : A

39 : Having a code of ethics does not reduce a companys sentence under the federal sentencing guidelines.
A : true
B : false

Correct Answer : B

40 : A company that self-reports a legal violation risks a higher penalty.
A : true
B : false

Correct Answer : B

41 : Training employees in ethics is a factor that reduces a companys sentence under the federal sentencing guidelines.
A : true
B : false

Correct Answer : A

42 : The either/or conundrum is an example of moral relativism.
A : true
B : false

Correct Answer : A

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43 : Pressure contributes to the use of the either/or test for resolving ethical dilemmas.
A : true
B : false

Correct Answer : A

44 : Trust is not critical to investment or economic success.
A : true
B : false

Correct Answer : B

45 : Ethics consists of the unwritten rules we apply in both business and personal lives.
A : true
B : false

Correct Answer : A

46 : When in Rome, do as the Romans do, is an example of moral relativism.
A : true
B : false

Correct Answer : A

47 : Conflicts of interest can result in the use of quid pro quo.
A : true
B : false

Correct Answer : A

48 : Its a gray area, if it applies, means that the conduct you are evaluating is ethical, so long as you stay in the gray area.
A : true
B : false

Correct Answer : B

49 : Rationalization is one form of ethical analysis.
A : true
B : false

Correct Answer : B

50 : When Hilton Hotels hired Ross Klein and Amar Lalvani from Starwood Hotels, Klein and Lalvani took many electronic documents with them from Starwood. What they did was simply good business and presented no ethical problems.
A : true
B : false

Correct Answer : B

51 : The Tony Bennett Factor refers to the importance of adhering to values as a key to long-term success.

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A : true
B : false

Correct Answer : A

52 : The regulatory cycle provides an opportunity for self-regulation during the latency stage.
A : true
B : false

Correct Answer : A

53 : Once a legal loophole has been used to the advantage of business and the disadvantage of a customer, the number of options for self-regulation declines.
A : true
B : false

Correct Answer : A

54 : When Danica Patrick stated she would take performance-enhancing drugs if she would never get caught, she was just saying what everyone else does in a highly competitive field, so it is not unethical.
A : true
B : false

Correct Answer : B

55 : To obtain the protections and benefits of the sentencing guidelines, companies must have a code of ethics.
A : true
B : false

Correct Answer : A

56 : To obtain the protections and benefits of the sentencing guidelines, companies must have some form of anonymous reporting.
A : true
B : false

Correct Answer : A

57 : Ethics are key to the success of economic systems.
A : true
B : false

Correct Answer : A

58 : Corruption impedes economic development.
A : true
B : false

Correct Answer : A

59 : Professor Ahlstrom asked her student, Jay Knopf, if he had a chance to look at the reading

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assignment for the days class. Knopf replied, Yes, I have. When Professor Ahlstrom asked Knopf a question about the reading, he did not know the answer. Professor Ahlstrom said, I thought you said you had read the assignment. Knopf replied, You didnt ask me if I had read the assignment, you asked me if I had a chance to look at the assignment, and I did look. There is no ethical category that applies to this situation.
A : true
B : false

Correct Answer : B

MULTIPLE CHOICE

60 : The statement, Whats good for GM is good for the country, is an example of the thoughts of a manager from the:
A : inherence school.
B : enlightened self-interest school.
C : social responsibility school.
D : invisible hand school.

Correct Answer : A

61 : Which of the following statements is true about an ethical business?
A : It will always be profitable.
B : It will always satisfy all stakeholders.
C : It will always survive over the long run.
D : It will avoid the consequences of unethical behavior.

Correct Answer : D

62 : Which of the following is not always a result of unethical behavior?
A : loss of trust
B : loss of goodwill
C : loss of profits
D : strained relations with regulators

Correct Answer : C

63 : A manager at a chemical weapons plant discovered that toxic by-products from chemical manufacturing at the plant are simply put in barrels and stacked near the boundary lines of the plant property. Children in the homes near these boundaries have an unusually high rate of kidney disease. The manager does not want to disclose the barrels contents because he will lose his job and the town will lose its major employer. Which of the following ethical tests would support the managers decision?
A : Wall Street Journal model
B : ethical relativism
C : Blanchard/Peale model
D : front page of the newspaper test

Correct Answer : B

64 : Which of the following models has a question that requires analysis of the effect of a

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decision on stakeholders?
A : Blanchard/Peale
B : Wall Street Journal model
C : Does the conduct comply with the law?
D : all of the above

Correct Answer : B

65 : Milton Friedmans philosophy on corporate behavior is:
A : a business serves its shareholders best by serving the community.
B : a business serves its shareholders best by serving society at large.
C : a business serves its shareholders best by serving regulatory interests.
D : a business serves its shareholders best by serving shareholders.

Correct Answer : D

66 : An inherence school company would become involved in a residential property tax for schools only if:
A : the community would benefit from the tax.
B : government leaders are in favor of the tax.
C : the issue would affect the companys performance.
D : community leaders favored it.

Correct Answer : C

67 : The invisible hand school and the inherence school:
A : both serve society primarily.
B : both refuse involvement in social issues.
C : are proactive in legislation for social issues.
D : believe long-term success comes from social responsibility.

Correct Answer : B

68 : Which of the following is not an ethical breach?
A : taking things that do not belong to you
B : giving or allowing false impressions
C : perpetrating interpersonal abuse
D : All of the above are ethical breaches.

Correct Answer : D

69 : Which of the following is not a consequence of poor ethical choices by a company?
A : loss of reputation
B : loss of earning power
C : additional regulation
D : All of the above are consequences of poor ethical choices.

Correct Answer : D

70 : A parents group and the National Association of Teachers is concerned about the lyrics on the albums of some rock music groups and has expressed the concern publicly. Capitol Records adopted a voluntary labeling system that provides warning labels on albums that contain explicit lyrics about sex, drugs, or satanic worship. Capitols action is an example of a:

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A : nonmandated ethical response.
B : waste of shareholder dollars according to Milton Friedman.
C : violation of shareholder rights.
D : none of the above

Correct Answer : A

71 : Which of the following is not a question for the Blanchard/Peale test for ethical behavior?
A : Is it legal?
B : Does it follow industry code?
C : Is it balanced?
D : How does it make me feel?

Correct Answer : B

72 : Which of the following actions would be permitted under the Friedman philosophy of business involvement in social issues?
A : a corporate contribution to a shelter program for runaway teenagers
B : a corporate contribution to a pro-choice organization
C : a corporate contribution to Mother Teresas worldwide organization
D : a corporate contribution to a mass transit system that will serve the offices of the company throughout the city

Correct Answer : D

73 : Under which of the schools is the corporation best served by serving only the shareholders?
A : inherence school
B : enlightened self-interest school
C : invisible hand school
D : social responsibility school

Correct Answer : A

74 : Which school most parallels the Friedman model for social responsibility?
A : inherence school
B : enlightened self-interest school
C : invisible hand school
D : social responsibility school

Correct Answer : A

75 : An employer instituted a wellness program for all employees. The wellness program includes an exercise facility and several pay incentives for losing weight, quitting smoking, or beginning an exercise program. The program is not required under any state or national laws. Which of the following schools of social responsibility applies to this employer?
A : inherence school
B : enlightened self-interest school
C : invisible hand school
D : social responsibility school

Correct Answer : B

Access Complete Test Bank for Business Its Legal Ethical and Global Environment 11th Jennings

76 : A law firm in the Phoenix area provides sick care for employees children. Sick care can be used when the child is too ill to go to school or its regular care facility. The law firm manager claims the program has cut down on sick days taken by employees to care for sick children. The program is an illustration of which type of social responsibility school?
A : inherence school
B : enlightened self-interest school
C : invisible hand school
D : social responsibility school

Correct Answer : B

77 : Which of the following is not an indication of a company environment ripe for unethical behavior?
A : intense competition threatening survival
B : employees with few or no personal values
C : employees who are independent
D : compensation incentive system tied only to sales

Correct Answer : C

78 : The policy on travel reimbursement at Public Service Company is that receipts for meals under $25.00 are not required. Internal auditors at Public Service have recently discovered that 80 percent of all meal submissions are in a range from $12.50 to $12.99. When one manager is questioned about his submissions and those of his employees he responds, So, they make a little bit on meals - it helps their miserable salaries. The managers evaluation:
A : demonstrates an ethical commitment to his employees.
B : is ethical since no one is really harmed.
C : demonstrates a lapse in the companys ethical culture.
D : is an example of Christian consequentialism.

Correct Answer : C

79 : Which of the following is not necessarily a benefit of using ethics as a business strategy?
A : firms profits increase
B : affords opportunity for planning
C : creates goodwill in the community
D : All of the above are benefits.

Correct Answer : A

80 : The front page of the newspaper test:
A : was developed by Laura Nash.
B : is the same as the Wall Street Journal test.
C : was developed by Blanchard/Peale.
D : uses the perspective of an objective reporter.

Correct Answer : D

81 : In the Parable of the Sadhu:
A : the lesson of personal values vs. organizational or group values is drawn.
B : the lesson that the rules of business prevail over personal values is drawn.
C : the lesson of survival of the fittest is given.
D : the lesson of every man for himself is critical for business survival.

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Correct Answer : A

82 : In international business:
A : there are no ethical rules.
B : corruption facilitates commerce.
C : trust and honesty are required for investment and economic growth.
D : a company must operate by a set of rules different from its U.S. rules.

Correct Answer : C

83 : Which of the following is not an element of the Nash test?
A : Will I feel as good over the long term about this decision?
B : Is it legal?
C : What am I trying to accomplish with my decision?
D : Could I discuss this decision with the affected parties?

Correct Answer : B

84 : Which of the following is not important for capitalism to function?
A : consumer confidence
B : absence of corruption
C : grease payments
D : risk takers comfortable with trustworthiness of government officials
E : All of the above are necessary for capitalism.

Correct Answer : C

85 : Milton Friedmans view of the social responsibility of business is best described as:
A : the social responsibility of a business is to make money within the rules of the game.
B : the social responsibility of a business should be dictated by its managers.
C : the social responsibility of a business requires it to be environmentally clean.
D : businesses have no social responsibility.
E : none of the above

Correct Answer : A

86 : Which of the two following groupings of ethical thought would you describe as opposites?
A : natural law and moral relativism
B : moral relativism and situational ethics
C : natural law and religious beliefs
D : moral absolutes and natural law
E : none of the above

Correct Answer : A

87 : Which of the following ethical models incorporates conscience into the decision-making process?
A : Front-page-of-the-newspaper test
B : Wall Street Journal test
C : Blanchard and Peale model
D : Positive law
E : none of the above

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Correct Answer : C

88 : Enron Corporation filed for bankruptcy following a number of revelations about its accounting procedures. Enron used a complex structure of corporations and off-the-books debt to mask its true financial picture from the markets. When asked about the propriety of Enrons reporting methods, many analysts have responded, They simply did what most corporations do. Their comments:
A : reflect analysis under the Nash model.
B : reflect analysis under the Blanchard/Peale model.
C : reflect rationalization.
D : reflect Wall Street Journal analysis.
E : none of the above

Correct Answer : C

89 : Enrons failure to disclose its off-the-book debts was legal. Which of the following ethical categories do you think apply to that type of financial reporting?
A : balancing ethical dilemmas
B : giving or allowing a false impression
C : taking unfair advantage
D : both b and c
E : none of the above

Correct Answer : D

90 : Which of the following is not a requirement of Sarbanes-Oxley?
A : code of ethics
B : ethics hotline (anonymous)
C : ethics officer
D : both a and c

Correct Answer : D

91 : Sarbanes-Oxley is:
A : a philosophical school that serves society first
B : federal legislation that imposed ethics requirements on corporations
C : an international accounting treaty
D : the former CEO of World.Com

Correct Answer : B

92 : The Corruptions Perceptions Index compiled by Transparency International:
A : shows that all countries governments are corrupt.
B : shows a correlation between corruption and the lack of economic development.
C : shows corruption is acceptable in most countries.
D : none of the above

Correct Answer : B

93 : An example of unethical behavior in the New York City and Boston marathon races was committed by:
A : Elise McDonough

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B : Martha Stewart
C : Rosie Ruiz
D : Danica Patrick

Correct Answer : C

94 : Jane Eyring works for PharmaMeds, Inc. Jane is a physician-scientist who is responsible for running the pilot tests on PharmaMeds new oral spray medication for individuals with adult onset diabetes. Jane has discovered that if those in the test group do not spray the medicine correctly or if they spray for too short of a time, the medicine is not effective, or as effective, and insulin shock has resulted in a few of the patients. Jane talks with one of her colleagues who responds, Look, theres no need to stop the testing or the drugs release. Just tell them in the test and in the brochures that will be with the spray, Spray correctly! If you do not, you may not receive your necessary dose. Jane is not sure anyone can be 100% accurate in spraying all the time. What risks does the company run if the spray doesnt work for the patients?
A : fines and penalties
B : litigation by patients who become ill
C : damage to its reputation
D : all of the above

Correct Answer : D

95 : Jane Eyring works for PharmaMeds, Inc. Jane is a physician-scientist who is responsible for running the pilot tests on PharmaMeds new oral spray medication for individuals with adult onset diabetes. Jane has discovered that if those in the test group do not spray the medicine correctly or if they spray for too short of a time, the medicine is not effective, or as effective, and insulin shock has resulted in a few of the patients. Jane talks with one of her colleagues who responds, Look, theres no need to stop the testing or the drugs release. Just tell them in the test and in the brochures that will be with the spray, Spray correctly! If you do not, you may not receive your necessary dose. Jane is not sure anyone can be 100% accurate in spraying all the time. Whom is affected by Janes decision, regardless of what decision she makes?
A : shareholders
B : customers
C : Jane and her reputation
D : all of the above

Correct Answer : D

96 : Why does the late Dr. Milton Friedman feel that managers should not involve their companies in social issues?
A : they are agents of the shareholders and should act in their best interests
B : companies lose money when they are socially responsible
C : economic studies show businesses that are socially responsible make less money
D : all of the above

Correct Answer : A

97 : Which country is perceived as the most corrupt country in the 2015 Corruption Perceptions Index?
A : Iraq
B : Iran
C : Somalia
D : Singapore

Access Complete Test Bank for Business Its Legal Ethical and Global Environment 11th Jennings

Correct Answer : C

98 : Tim Donaghy was a referee for the NBA. Mr. Donaghy began betting in 2003 on NBA games. He also provided tips to other gamblers on who would win games in which he was serving as a referee. Mr. Donaghys actions:
A : were illegal under federal law, but not an ethical breach.
B : were a conflict of interest.
C : were not a breach of ethics because he used the money he made for a summer camp for underprivileged children.
D : none of the above

Correct Answer : D

99 : Michael Chertoff was the head of the Department of Homeland Security. Mr. Chertoff paid 25 cents to the federal government each time a personal fax came to him at his federal office. Mr. Chertoffs actions:
A : are meant to establish an effective tone at the top.
B : are unnecessary because there is no ethical breach when you have no control over who sends faxes.
C : are inconsequential for the agency.
D : none of the above

Correct Answer : A

100 : If you think what were doing now is bad, you should have seen 10 years ago at this company... is an example of:
A : ethical analysis.
B : rationalization.
C : comparative or relative ethics.
D : both a and c

Correct Answer : B

101 : Sarah Blankenship was traveling for business. She took a cab from the office where she was doing her company assignment to the airport. As she paid the cab driver, she asked for a receipt and the driver insisted that she take two receipts, one that was blank so that she could fill it in and get a little extra from her company for travel reimbursement. Sarah accepted the blank receipt and wonders if there would be any problem in submitting for reimbursement for an extra cab ride. It wouldnt be a lot, she thinks to herself, just a little bit that I can say was for purposes of getting to dinner one night while I was there. Which of the following best describes Sarahs situation?
A : The cab driver committed the ethical breach, not Sarah, so she should use the receipt.
B : There are many unreimbursed expenses when you travel for your company, so the extra receipt is a way of recouping those expenses.
C : If Sarah submits the extra receipts for reimbursement she is taking something that does not belong to her.
D : Sarah should save the receipt and use it another time when she forgets to get a receipt.

Correct Answer : C

102 : Yucca Mountain is the proposed location for the disposal of spent nuclear fuel rods from the nuclear plants located in the United States. Who of the following are stakeholders in the

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decision about whether to open Yucca Mountain?
A : Those who live in and around Yucca Mountain.
B : The shareholders in nuclear utility plants.
C : Those who live around nuclear plants where the rods are stored temporarily.
D : a and c
E : a, b, and c

Correct Answer : D

103 : President Obama said in a number of speeches advocating his health care plan, If you like your health care plan, you can keep your health care plan, period. After the law was passed and as its provisions took effect, about 5 million Americans had their policies canceled because the policies no longer met federal minimum standards for coverage. A provision in the law required insurers to cancel any policies that did not meet those federal standards. Which of the following categories does the Presidents statement fall into?
A : Giving or allowing a false impression
B : Conflict of interest
C : Personal decadence
D : a, b and c

Correct Answer : A

104 : Which of the following models for ethical analysis includes the following question: Could you share what you are about to do with your boss, friends, family?
A : Blanchard/Peale
B : Laura Nash
C : Milton Friedman
D : both a and b

Correct Answer : B

105 : The state troopers in one state have a motto, Nine youre fine; ten youre mine, which is the standard that they use for pulling over speeders on the state highways. In other words, if the posted speed limit is 55 mph, drivers can drive at a rate up to 64 mph without fear of getting a ticket. Which of the following best describes the ethical culture in the state?
A : The troopers are following a standard of positive law.
B : The troopers are following a normative standard.
C : The troopers are following a headline test.
D : The troopers are following the Blanchard/Peale standard.

Correct Answer : B

106 : Turing Pharmaceuticals increased the price of one of its drugs 5,000%. Its then-CEO said that his primary responsibility was to Turings shareholders. To whom would the CEOs views be attributed?
A : Peter Drucker
B : Ken Blanchard
C : Bowen McCoy
D : Milton Friedman

Correct Answer : D

107 : Which part of the Blanchard/Peale test is similar to the categorical imperative?

Access Complete Test Bank for Business Its Legal Ethical and Global Environment 11th Jennings

A : Is it legal?
B : Is it balanced?
C : How does it make me feel?
D : The two tests do not have similar elements.

Correct Answer : B

108 : Downloading copyrighted music without paying for it would fall into which category of ethical dilemmas?
A : there is no category because it is sharing
B : taking things that do not belong to you
C : organizational abuse
D : front page of the newspaper test

Correct Answer : B

109 : Pfizer, Inc. has issued a public statement that it would no longer sell the drug that it manufactures that is used for injection in convicted murderers in death penalty convictions. Pfizer has faced increasing pressure from shareholders about the drug. The drug is a profitable one. Whose interest is Pfizer serving?
A : Pfizer is serving larger society.
B : Pfizer is serving its shareholders.
C : Pfizer is serving Milton Friedman.
D : Pfizer is serving government interests.

Correct Answer : A

110 : VW discovered that its engineers had developed a software program that allowed some of its car models to run without emissions controls except when the cars were undergoing emissions testing. The company goal was to reduce emissions and maintain fuel efficiency. The falsification of emissions data is a federal crime. Which of the following ethical resolution models would have helped VW employees analyze their conduct better as they were developing this software?
A : Wall Street Journal model
B : ethical relativism
C : Blanchard/Peale model
D : front page of the newspaper test

Correct Answer : C

111 : VW discovered that its engineers had developed a software program that allowed some of its car models to run without emissions controls except when the cars were undergoing emissions testing. The company goal was to reduce emissions and maintain fuel efficiency. The falsification of emissions data is a federal crime. Which of the following statements best describes the ethical position of the VW employees?
A : If its legal, its ethical.
B : If we are under pressure to keep the fuel efficiency up with emissions controls, we do what it takes.
C : Whos to find out?
D : both b and c

Correct Answer : D

Access Complete Test Bank for Business Its Legal Ethical and Global Environment 11th Jennings

112 : The Consumer Financial Protection Bureau came about during which of the following?
A : Sarbanes-Oxley
B : Dodd-Frank
C : Blanchard/Peale
D : Friedman reforms

Correct Answer : B

113 : Charles Jordan often texts while he is driving. There is no law in his state that specifically addresses texting while driving. There is a statute that prohibits drivers from engaging in distracting behavior. Charles says the following, I am not distracted by texting because I can do more than one thing at a time. Also, the word is not defined very well. I dont think texting is a form of distracted driving. Changing the radio is more distracting. Besides, almost everyone texts while driving. Charles thoughts on his behavior:
A : are a form of ethical analysis.
B : are all forms of rationalization.
C : justify his behavior when the law is unclear and are a valid defense to the law.
D : mean that he follows a virtue ethics approach.

Correct Answer : B

114 : Samantha Waring has been struggling with her statistics class. The stats class is the last quantitative course Samantha needs to take before she begins her studies in her sustainability major. Samantha has found a way that a friend, who is a whiz at stats, can take the stats class exams for her. Samantha says the following, I am not going to need stats in the work I plan to do. And, if I dont pass the stats class, I cannot study sustainability. And, I really want to work in that field so that I can change people and save the planet. I am clearly not doing this for money or my GPA. Ive seen other students do worse than this and they are only doing it for a better résumé. Changing the world is more important. Besides, almost everyone in college cheats. Consider Samanthas statement that if she doesnt pass, she cannot work in sustainability, and decide which of the following applies to the thought.
A : Samantha is using moral relativism.
B : Samantha is applying positive law.
C : Samantha is applying the Blanchard/Peale test.
D : Samantha is applying the categorical imperative.

Correct Answer : A

115 : Jane Tucker is the ethics officer for a publicly traded company. She is concerned that the company does not have a mechanism for anonymous reports of issues by employees. The CEO is not inclined to spend the money required to set up a hotline or any other reporting mechanism. Which of the following statements is true about this situation?
A : As long as the company has an ethics officer to whom employees can report concerns, it has done everything necessary to enjoy the protections under the Federal Sentencing Guidelines.
B : With Jane as an ethics officer and adding in a code of ethics, the company has met the two required prongs for the Federal Sentencing Guidelines.
C : Without an anonymous reporting system, the company does not meet the minimum requirements for the protections of the Federal Sentencing Guidelines.
D : The Federal Sentencing Guidelines protections do not apply to publicly traded companies under Dodd-Frank.

Correct Answer : C

Access Complete Test Bank for Business Its Legal Ethical and Global Environment 11th Jennings

116 : The phrase walk the talk means:
A : the required language in a companys code of ethics under Dodd-Frank.
B : that management lives the ethical standards established in the code of ethics.
C : that the government will enforce the law against companies that do not have an ethics officer.
D : that auditors must certify the ethics program of a company before it is valid.

Correct Answer : B

117 : What does the phrase, Without fail, we sign off on the ethics policy once each year, signal about the ethical culture of the company?
A : That the company has created an ethical culture.
B : That the company is in compliance with all Dodd-Frank and SOX provisions.
C : That performance may matter more than ethics in the company.
D : That the company is covered under the Federal Sentencing Guidelines protections.

Correct Answer : C

118 : Under the Transparency International Survey for 2015, which country is the most corrupt country in the world?
A : Afghanistan
B : North Korea
C : Iraq
D : Somalia

Correct Answer : D

119 : Which of the following is not an impact of long-term corruption in a country?
A : failure to construct infrastructure
B : high crime rates
C : lack of economic development
D : all of the above

Correct Answer : D

ESSAY

120 : Which of the following is not an impact of long-term corruption in a country?

Correct Answer : a.The students should address the issues of whether the ad is legal (it is) and then move on to whether it is balanced and how it would make them feel to have a product using these descriptions. The example is similar to the manner in which some grocers display strawberries in the store: Only the ones on top are good, and the description or appearance may mislead the customer. The student should also discuss the fallout from such claims when consumers discover the discrepancy: loss of goodwill and public relations problems with resultant effect on sales.b.Students should take the same approach as in answer (a) because the advantages of trying to use a health concern to sell products when there is little the product does to help can create a feeling of opportunism on the part of the company. In this case, the ad seems worse than the syrup because there are health consequences associated with this advertising. Presently the FDA and FTC are examining the issue of product advertising with

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respect to health claims and the use of the words lite, light, fat-free, and cholesterol-free.

121 : Harvard University recently sold most of its investments in tobacco companies. The investments were quite profitable for the Harvard endowment. Derek Bok, who was Harvards president at that time, said the divestiture was prompted by recognition of the dangers of smoking and concern over aggressive marketing tactics to promote tobacco products to teenagers and in countries where the dangers of smoking are not widely known. Bok stated the university was motivated by a desire not to be associated as a shareholder with companies engaged in significant sales of products that create a substantial and unjustified risk of harm to other human beings. Harvard owned $58 million in tobacco company shares. An investment analyst noted that Harvards action will have a strong ripple effect across the country. Evaluate the actions of Harvard and evaluate the conduct of the tobacco companies to this point using both the Blanchard/Peale model and the moral reasoning process.

Correct Answer : Neither Harvard nor the tobacco companies are doing anything illegal. Cigarettes are still lawful products in the United States and around the world, so the product is not illegal. Harvard's actions are a reflection of how the investment makes them feel because of the medical harm to individuals and the aggressive marketing techniques. Under the moral reasoning process, Harvard uses the moral standard that they do not want to be associated with any activity that causes significant harm to other human beings. Data indicate that smoking produces such harm. Without divestiture, Harvard would be unethical since there is harm to individuals. The tobacco firms could apply the same reasoning process but have not. Their data indicate the harm is not clear and they have not reached the Harvard conclusion. Furthermore, there are other moral standards such as the freedom to choose on the part of the consumer that creates conflicts for the tobacco companies' moral reasoning process. Their attitude under Blanchard/Peale appears to stop after the question of whether the activity is legal.

122 : The breakfast cereal aisle of the grocery store is a delightful place with boxes decorated with Barbie, Ninja Turtles, and Batman. The boxes are filled with toys, special offers, and plenty of sugar in the cereal. Several parent groups are concerned about the marketing techniques, the sugar levels, and the diet of American children. One group proposed regulation on the location of the boxes in the aisles (they should be placed in a way that eliminates the snazzy boxes from the childs view). Discuss the ethics of the cereal manufacturers in their marketing approaches. What action would a firm in the social responsibility school take?

Correct Answer : Nothing illegal is being done, but the firms are taking advantage of childhood fantasies and cartoon images to sell cereals that may not be nutritionally sound. The children and their parents are stakeholders, and a socially responsible firm would take independent action or propose regulation regarding advertising constraints and cereal content and the placement of the boxes as temptations in the stores. The attitude would be that good nutrition is good for society and therefore the product should be nutritious.

123 : ABC, Inc. is the manufacturer of a line of bumper stickers and T-shirts that display the phrase Sex, Drugs, and Rock & Roll. Evaluate the ethical posture of the firm.

Correct Answer : The firm is doing nothing illegal. If it is answering to its shareholders, the sales are being made and it is following the Friedman creed. However, the socially responsible firm would pause to consider the effect such a phrase would have on society and the contribution it is making by seeing that the phrase is well distributed. The firm is making a profit, but at what cost?

124 : The Alabama Attorney General recently filed suit in federal court in Montgomery, Alabama, alleging that Maytag secretly reconditioned defective microwave ovens at its Magic

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Chef plant in Anniston, Alabama; altered their serial numbers; and sold them as new. Janis Cooper, a vice president for Maytag, says the company is reviewing its procedures at the plant and that Maytag considers the trust of our customers very important. Regardless of whether the allegations are true, what problems will Maytag experience as a result of the incident?

Correct Answer : General loss of consumer trust; public relations difficulties; drop in sales; case is an excellent illustration of how even the taint of unethical behavior can be very costly to a firm.

125 : A bar and restaurant located directly next to the edge of the campus at Arizona State University is called The Dash Inn. The Inn is a favorite stop for students and is generally very crowded in the afternoon and evenings. When a student uses a credit card to pay his or her tab at the Dash Inn, the receipt for the student and the credit card data have recorded automatically at the top, The Dash Inn Bookstore. Why do the receipts have this inscription at the top? What ethical problems do you see with this inscription?

Correct Answer : The Dash Inn is attempting to help the students disguise from spouses and families their true spending habits. No one is likely to challenge receipts from a bookstore. But it does make the Dash Inn a participant, indeed the instigator, in an ethical breach of giving or allowing false impressions.

126 : Ralph Dewey is an assistant superintendent in the Maple Leaf school district. Mr. Deweys job is to award contracts for all facilities management. Dewey awarded an asbestos removal contract to his brothers firm. Discuss the ethical issues. What models could have helped Dewey in his decision-making process?

Correct Answer : Ralph has a conflict of interest in awarding the contract to his brother's firm.Tests:Newspaper Test Could I discuss this with the superintendent? Is it balanced?

127 : Anna Woodruff is the purchasing manager for Allied Transport. One of Allied suppliers has just had a Schwinn bicycle delivered to Anna as a gift. What should she do?

Correct Answer : Anna has a conflict. Those she awards contracts to are offering compensation.

128 : As video games have become more advanced, some of the games have also increased in violence. While the games are rated, many of the advertisements for the games are targeted for a market who are not supposed to buy them under the rating system. Discuss the ethical issues in these marketing strategies.

Correct Answer : Students should discuss the social responsibility issues in touting violence in games for younger children and even adults. They might also discuss parental roles, the impact on society of these games, and the ethics of the marketing of the games. Students may also want to discuss whether or not the game companies and marketing companies have and/or use ethics officers.

129 : During the 2002 Winter Olympics in Salt Lake City, one of the French judges on the judging panel for the pairs ice skating competition indicated that she felt pressure to vote for the Russian team, the team that was awarded the gold medal for the competition. She indicated that there would be a quid pro quo, that is, the Russian judge would then vote for the French team in the ice dancing competition. Following the award of the medal in the pairs competition, there was international outcry because the silver medal Canadian duo had skated flawlessly whereas the Russian team had several flaws in its performance. The International Olympic Committee (IOC) awarded a second gold medal to the Canadian team and launched an

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investigation and vowed to reform judging practices and rules. Discuss the ethical issues in this case and be sure to discuss why these types of deals among judges create problems.

Correct Answer : This is the introduction of corruption into this system - that of Olympic competition. To the extent that participants believe there is a fixed competition, they will choose to not compete or will begin to try to win using the existing system, thus introducing more corruption. When decisions are not based on merit and performance, the result is either the system collapses from no participation or corruption only increases. The same is true of economic systems, as discussed in the book.

130 : Discuss some similarities of the countries listed as the most corrupt in the 2015 Corruption Perceptions Index.

Correct Answer : The top 5 countries listed are Somalia, Korea (North), Afghanistan, Sudan, and South Sudan. There is a strong correlation between perceived unethical behavior and the lack of economic development in a country.

131 : Google was asked by the Justice Department to turn over information about users who were running searches for child pornography. Google refused to turn over the information to the federal government. Discuss the ethical issues Google was grappling with in making its decision.

Correct Answer : The two values in conflict are Google’s protection of its users’ privacy – divulging information – and permitting abuse (child pornography is indeed a pernicious activity and society has an interest in protecting children from such predatory activity). Google opted to have privacy as the greater value, but the students can explore the implications of that decision. They might also explore whether Google can get out of the either/or conundrum by perhaps warning users about its cooperation with authorities on federal investigations. Computer users can then opt for a different avenue for search or take the risk of being identified.

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