

BUS101 – A.Lynch

Quiz - Ch. 4

Multiple Choice

Each answer is worth 4 points.

1. Social responsibility is all of the following, EXCEPT
 - a) a set of beliefs about good and bad.
 - b) the obligation of a business to contribute to society.
 - c) proactive policies that focus on the needs of stakeholders.
 - d) the tone for the organization's commitment to the community.
2. The function of laws in the United States is to establish and enforce _____ that apply to everyone in society.
 - a) social norms
 - b) financial norms
 - c) advanced standards
 - d) ethical norms
3. Harriette owned a diner in the 1950s. At that time, the state in which Harriette's diner was located had a law declaring that it was illegal for restaurants to serve whites and African Americans in the same dining room. But Harriette never made customers of different races eat in separate rooms. This illustrates a situation in which Harriette's practice was
 - a) clearly unethical because obeying the law is the most fundamental ethical requirement of all.
 - b) an example of an ethical lapse.
 - c) ethical even though it was illegal according to state law.
 - d) neither ethical nor unethical; it represents a pure business decision that has no ethical dimension.
4. The goal of *universal ethical standards* is to
 - a) demonstrate to employees that most ethical dilemmas fall neatly into a handful of categories.
 - b) allow the United States to establish legal standards that are applicable to all firms.
 - c) help people base ethical decisions on relative standards.
 - d) provide guidelines that apply to everyone across a broad spectrum of situations.
5. Business ethics are a set of beliefs about
 - a) what is right and wrong in a business setting.
 - b) how to earn the maximum amount of profit legally.
 - c) how to meet the social responsibilities of business organizations.
 - d) the best way to manage a company's natural resources.
6. It often takes a pharmaceutical firm 15 or more years to develop a new drug. The sales from these new drugs must recover the expenses of research and development. Many of these pharmaceutical firms want to support socially responsible causes, but when they are asked to lower the price of drugs distributed to third world nations, it becomes a(n) _____. Do they forego profits for investors (and to fund additional research) in order to help those in need?
 - a) cause-related quest
 - b) philanthropic concern
 - c) ethical dilemma
 - d) patent fiasco
7. Business ethical challenges include all of the following, EXCEPT
 - a) ethical dilemmas.
 - b) individual ethics.
 - c) social responsibility.
 - d) code of ethics.
8. The main purpose of a written code of ethics is to
 - a) satisfy the requirements of the Sarbanes-Oxley Act.

- b) eliminate the need for top management to monitor ethical behavior, thus giving these managers more time to deal with other issues.
 - c) provide guidance to help employees make sound ethical decisions across a range of situations.
 - d) explain how the organization will go about satisfying its social responsibilities to each major type of stakeholder.
9. A _____ establishes expectations for ethical behavior at all levels of the organization (CEO to housekeeping personnel).
- a) code of integrity
 - b) social responsibility
 - c) business ethic
 - d) code of ethics
10. Which of the following is NOT an important step in the successful implementation of a code of ethics?
- a) Establish different standards for workers in different regions or countries in order to take cultural differences into account.
 - b) Ensure that top management repeatedly and forcefully emphasizes the importance of ethical behavior.
 - c) Inform outside stakeholders of the organization's ethical standards.
 - d) Set up a system that allows workers to report illegal or unethical behavior anonymously.
11. According to research by the ERC (Ethics Resource Center), the most important influence on ethical behavior in the workplace is
- a) organizational culture.
 - b) enforcement of federal laws.
 - c) a well-written code of ethics.
 - d) random punishment of employees who violate ethical norms.
12. A person who reports illegal or unethical behavior within an organization is known as a
- a) horn tooter.
 - b) whistleblower.
 - c) stakeholder.
 - d) grandstander.
13. The Sarbanes-Oxley Act provides protection to
- a) employees who are subject to age or religious discrimination.
 - b) corporate executives accused of unethical behavior.
 - c) hourly employees who are laid off without prior notice.
 - d) whistleblowers.
14. Pat has noticed some of his company's sales representatives behaving in an unethical manner toward the customers. He intends to report this ethical lapse through his company's anonymous ethics hotline. If he does so, he will be a
- a) whistleblower.
 - b) scab.
 - c) bellringer.
 - d) ringleader.
15. _____ is visible when companies contribute to the well-being of society.
- a) A business ethic
 - b) Social responsibility
 - c) A code of conduct
 - d) Ethical responsibility
16. Companies that want to develop socially responsible objectives
- a) should seek out other firms in their area and imitate their approach.
 - b) should focus their attentions on meeting the needs of investors, because the only legitimate social responsibility of a firm is to protect the interests of those who have invested money in the company.
 - c) should scan the competitive environment.
 - d) should identify key stakeholders and consider their priorities.
17. Balancing the need to contribute with the need to boost profits is the number one goal of
- a) stakeholders and their businesses.
 - b) a socially responsible business.

- c) a global organization.
d) just managers.
18. The _____ of a company that produces gourmet coffee include its employees, coffee bean growers who supply the company, people who drink its gourmet coffee, and the people who live in the community where the company produces the coffee.
- a) stockholders
b) investors
c) philanthropists
d) stakeholders
19. _____ is the social movement supporting the consumer's right to be informed, to be safe, to choose, and be heard.
- a) Cause-related marketing
b) Consumerism
c) Social marketing
d) Customers First
20. Consumerism, as a social movement, suggests that
- a) consumers are always right.
b) consumers are secondary stakeholders.
c) consumer rights should be recognized and respected.
d) consumers are more important than other stakeholders.
21. Quest Systems, a local information technology firm, donates old computer equipment to a recycling company. Quest is demonstrating
- a) corporate standards.
b) corporate philanthropy.
c) corporate responsibility.
d) cause-related marketing.
22. Firms that participate in cause-related marketing
- a) usually find that benefits fall short of costs but pursue these efforts anyway because they are a way to be more socially responsible.
b) usually can take advantage of significant tax deductions.
c) often find that such programs help build their brands and increase sales.
d) do so primarily to avoid increased government regulation of their activities.
23. Two of the greatest ethical challenges faced by firms in the global arena are
- a) bribery and corruption.
b) unskilled employees and lazy employees.
c) firms that want to avoid taxes and firms that accept gifts from customers.
d) international patents and overvalued currencies.
24. The Foreign Corrupt Practices Act
- a) protects American consumers from fraudulent foreign business practices.
b) imposes penalties on foreign firms that try to bribe U.S. officials.
c) forbids U.S. companies from offering bribes when engaged in foreign business transactions.
d) clearly states that all gifts that the representatives of a firm receive abroad constitute a form of bribery.
25. A social audit is a systematic evaluation of
- a) an organization's ethical standards.
b) how well a firm is meeting its ethical standards and social responsibility goals.
c) the total cost of meeting socially responsible goals.
d) evaluation of how well a firm is meeting all of its corporate objectives.

