

Chapter 2 Business Ethics and Social Responsibility

True/False Questions

1) Social responsibility and ethics are essentially the same thing.

True False

2) Corporate regulation refers to the laws and regulations that govern the conduct of business.

True False

3) The Sarbanes-Oxley Act is an example of how basic ethical and social responsibility concerns have been codified by laws and regulations.

True False

4) The public often gets the impression that misconduct is more widespread than it is in reality.

True False

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

True False

6) In the United States, the Dodd-Frank Act imposes heavy penalties on companies found guilty of bribery.

True False

7) The Global Business Ethics Survey found that workers who witness instances of ethical misconduct in their organizations don't feel pressured to compromise standards themselves.

True False

8) Janie's boss constantly criticized her work and belittled her. It got so frequent that she began having stomach trouble when she had to go to work. This is an example of a hostile environment.

True False

9) Taking credit for others' work or ideas may be considered bullying.

True False

10) The most common way that employees abuse resources is by taking supplies home from

work.

True False

11) Insider trading is considered a conflict of interest.

True False

12) Plagiarism is considered an ethical issue.

True False

13) Co-workers and superiors exert significant control over your choices at work through authority and example.

True False

14) Jana was in her first job, and she had a boss who sometimes withheld some facts about products in order to make a sale. Before long, Jana was also withholding facts from customers. This demonstrates how individual moral standards and values influence ethical decision making.

True False

15) Codes of ethics should be extremely detailed in order to take into consideration most situations that could result in an ethical problem for an employee or company.

True False

16) Employees of companies with written codes of ethics are more likely to report misconduct when they see it.

True False

17) Ghalib knew his company was dumping toxic waste on public land. He reported it to the EPA. Ghalib's actions were unethical.

True False

18) The four stages of social responsibility are financial, legal, management, and ethics.

True False

19) Social responsibility is the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their various stakeholders.

True False

20) The concept of social responsibility is now universally accepted.

True False

21) The department that enforces laws regulating safety in the workplace is the Occupational Safety and Health Administration.

True False

22) A business's obligations to its owners and investors include maintaining proper accounting procedures.

True False

23) Labor unions create a barrier to achieving safety in the workplace.

True False

24) The consumer bill of rights includes the right to be informed, which means that a business must not knowingly sell anything that could result in personal injury or harm to consumers.

True False

25) Many citizens called and wrote their congressmen and woman about the health care legislation that was being considered. This relates to the understanding that they had the right to be heard.

True False

Multiple Choice Questions

26) The principles and standards that determine acceptable conduct in business organizations are referred to as

- A) social responsibility.
- B) business strategies.
- C) business ethics.
- D) business stances.
- E) corporate citizenship.

27) Sarah is a manager who supports ethics and compliance at her company by clearly communicating company expectations for ethical behavior to all employees. This exemplifies

- A) tone at the top.
- B) tone throughout the company.
- C) tone at the bottom.
- D) social responsibility.
- E) business regulation.

28) Which of the following statements is true regarding business ethics and social responsibility?

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

29) A local pet store, Pals with Paws, donates a portion of every sale to pet rescues in its community. This exhibits the company's

- A) business ethics.
- B) profitability.
- C) business responsibility.
- D) irresponsibility.
- E) social responsibility.

30) The term _____ refers to a business's obligation to maximize its positive impact and minimize its negative impact on society.

- A) social citizenship
- B) social strategy
- C) social ethics
- D) social responsibility
- E) social rule

31) How do the terms business ethics and social responsibility differ from each other?

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

32) The _____ Act criminalized securities fraud and toughened penalties for corporate fraud.

- A) Dodd-Frank
- B) Federal Trade Commission
- C) Foreign Corrupt Practices
- D) Sarbanes-Oxley
- E) Sherman Antitrust

33) Which of the following laws reformed the financial industry and offered consumers protection against complex and/or deceptive financial products?

- A) the Glass-Steagall Legislation
- B) the Dodd-Frank Act
- C) the Sarbanes-Oxley Act

- D) the Clayton Act
- E) the Celler-Kefauver Act

34) Recently, _____ became the number-one consumer complaint with the Federal Trade Commission.

- A) accounting scandals
- B) securities fraud
- C) corporate fraud
- D) deceptive financial products
- E) identity theft

35) Which of the following is true of how the mass media reports on the ethical conduct of businesses?

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

36) Which of the following statements is true of business ethics?

- A) Ethical issues are not limited to for-profit organizations.
- B) Business ethics does not go beyond legal issues.
- C) Ethical conduct does not have any impact on business relationships.
- D) Ethical conflicts do not evolve into legal disputes.
- E) Ethical issues are not affected by social perceptions.

37) After a major horse race, it was discovered that the winner had drugged his horse to make it run faster. As a result, the horse's owner, trainer, and jockey were banned from the racing industry. This exemplifies how

- A) negative judgment directly affects an organization's ability to achieve its business goals.
- B) unfair society can be in making ethical judgments.
- C) ethics can be blown out of proportion.
- D) important social responsibility is.
- E) easily ethical issues can be resolved.

38) Which of the following is a key step in evaluating ethical decisions in business?

- A) assuming that ethical issues do not include all areas of organizational activities
- B) recognizing that social responsibility and ethics are inversely related to each other
- C) understanding that business ethics does not go beyond legal issues
- D) identifying that ethics is not culture-specific
- E) learning how to recognize and resolve ethical issues

39) Dinar noticed that one of his colleagues arrives late and leaves early from work every day. In deciding whether or not to report this behavior, what must he do first?

- A) Confront the colleague about the situation

- B) Discuss the situation with other colleagues
- C) Ask his wife what she thinks
- D) Evaluate the ethics of his choice and decide whether to ask for guidance
- E) Discuss the situation hypothetically with his manager

40) _____ are payments, gifts, or special favors intended to influence the outcome of a decision.

- A) Bribes
- B) Emoluments
- C) Stipends
- D) Grants
- E) Recompenses

41) Jancy and Kevin are competing for a promotion. Hoping to sway her manager to promote her over Kevin, Jasmine gives her manager an expensive watch. This is an example of

- A) misuse of company resources.
- B) bribery.
- C) dishonesty.
- D) conflict of interest.
- E) an acceptable gift.

42) Abusive behavior is difficult to assess and manage because of

- A) the debate surrounding the acceptability.
- B) ethical issues that often emerge from conflict.
- C) different rating companies.
- D) diversity in culture and lifestyle.
- E) the fact that it leads to higher levels of unemployment.

43) Carlos speaks fluent Spanish, and English is his second language. When communicating with his colleagues, Jennifer and Kim, he uses words that are normal in his language, but they consider them to be profanity. What does this exhibit?

- A) Colleagues can often be oversensitive.
- B) Profanity has a universal definition.
- C) Abusive behavior is difficult to assess and manage.
- D) Profanity is not considered to be an abusive behavior.
- E) Regardless of intent, abusive behavior is never a mistake.

44) Which of the following acts is associated with bullying?

- A) buying or selling of stocks by insiders
- B) discrediting others' ideas and opinions
- C) lobbying for or against someone
- D) mediating as a third party
- E) offering bribes

45) Marsha needs Stefen's help to resolve an urgent work issue. She has emailed and called him several times, but Stefen doesn't respond to any of her communications. Stefen's behavior is an example of

- A) conflict of interest.
- B) misuse of company time.
- C) bullying.
- D) misuse of company resources.
- E) dishonesty.

46) _____ is the buying or selling of stocks by insiders who possess material that is still not public.

- A) Gatekeeping
- B) Whistleblowing
- C) Downcycling
- D) Insider trading
- E) Plagiarizing

47) All of the following are examples of misusing company resources EXCEPT

- A) spending an excessive amount of time on personal e-mails.
- B) submitting personal expenses on company expense reports.
- C) using the company copier for personal use.
- D) using company phones for occasional personal calls.
- E) using a company computer to shop on the Internet.

48) When Gina used her company credit card to buy \$50,000 worth of new furniture for her house, she was fired. Which type of misconduct does this exemplify?

- A) conflict of interest
- B) misuse of company resources
- C) misuse of company time
- D) abusive behavior
- E) bribery

49) Which of the following has developed a Corruption Perceptions Index?

- A) Financial Executives International
- B) Texas Instruments
- C) National Business Ethics International
- D) ORC International
- E) Transparency International

50) Which of the following is true of misuse of company time?

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

51) Which of the following countries is included in the list of least corrupt countries?

- A) Denmark
- B) Somalia
- C) North Korea
- D) Sudan
- E) Afghanistan

52) Lydia, a manager, makes decisions that benefit her financially at the expense of her firm. Which of the following ethical issues in business is addressed in this example?

- A) bullying
- B) bribery
- C) conflict of interest
- D) intimidating behavior
- E) misuse of company time

53) Which of the following is associated with a hostile workplace when a person or group is targeted and is threatened, harassed, belittled, verbally abused, or overly criticized?

- A) conflict of interest
- B) bribery
- C) treachery
- D) treason
- E) bullying

54) Which of the following is true of bullying?

- A) Surveys reveal that bullying in the workplace is on the decline.
- B) Bullying cannot occur in all types of businesses.
- C) Flaunting status or authority to take advantage of others does not amount to the act of bullying.
- D) Although sexual harassment has legal recourse, bullying has little legal recourse at this time.
- E) Insider trading is an example of bullying.

55) The fact that businesspeople are expected not to harm customers, clients, and competitors knowingly through deception, misrepresentation, coercion, or discrimination is part of the practice of

- A) business relationships.
- B) communications.
- C) conflict of interest.
- D) fairness and honesty.
- E) consumerism.

56) A hair dryer manufacturer produced a new model that could dry a person's hair in under five minutes. When customers used this hair dryer and experienced scalp and hand burns, the manufacturer was required to create and enforce detailed plans to prevent future burns. This example relates to

- A) fairness and honesty.
- B) competition.
- C) obeying laws and regulations.
- D) communications.

E) business relationships.

57) The European Commission investigated Google to determine whether it promoted its own search results over those of other search engines in spite of their relevance. The aspect of fairness at issue here is

- A) conflict of interest.
- B) communications.
- C) competition.
- D) dishonesty.
- E) disclosure of potential harm.

58) All of the following are associated with dishonesty EXCEPT

- A) lack of integrity.
- B) competition.
- C) lack of disclosure.
- D) lying.
- E) stealing.

59) In the realm of business ethics, when automobile companies fail to issue recalls in a timely manner, this is an issue related to

- A) conflict of interest.
- B) communications.
- C) product design.
- D) business relationships.
- E) financing.

60) People in the entertainment industry claim that requiring warning labels on movies and video games violates their _____ right.

- A) Sixth Amendment
- B) Thirteenth Amendment
- C) Tenth Amendment
- D) First Amendment
- E) Second Amendment

61) The National Business Ethics Survey found that employees who feel pressured to compromise ethical standards view _____ as the greatest source of such pressure.

- A) CEOs
- B) shareholders and stakeholders
- C) clients
- D) top and middle managers
- E) co-workers

62) With respect to ethics, managers are responsible for

- A) creating a work environment that helps the organization achieve its objectives and fulfill its responsibilities.
- B) encouraging employees to engage in activities that they might otherwise view as unethical.

- C) providing vague supervision on ethical issues to avoid overly influencing employees.
- D) offering no ethical direction to employees to create opportunities for individual ethics.
- E) influencing employees' actions to save costs.

63) _____ involves taking someone else's work and presenting it as your own.

- A) Conflict of interest
- B) Bullying
- C) Inspiration
- D) Bribery
- E) Plagiarism

64) The warning on cigarette packages about the health implications of smoking is an example of which element of fairness and honesty?

- A) conflict of interest
- B) fairness and honesty
- C) communications
- D) relationships within a business
- E) environmental issues

65) Which of the following behaviors is the best example of ethical consideration within the purview of business relationships?

- A) keeping company secrets
- B) communicating about safety and quality
- C) whistleblowing
- D) obeying environmental laws
- E) donating to local charities

66) If a manager pressures a subordinate to engage in activities that he or she may otherwise view as unethical, such as engaging in accounting fraud or stealing a competitor's secrets, this would be an ethical issue related to

- A) plagiarism.
- B) business relationships.
- C) communications.
- D) social responsibility.
- E) conflicts of interest.

67) If a manager attempts to take credit for a subordinate's ideas, he or she is engaging in

- A) keeping a secret.
- B) misuse of resources.
- C) plagiarism.
- D) bullying.
- E) bribery.

68) Which of the following indicates that a person has begun the process of resolving an ethical issue?

- A) deciding not to discuss what he or she is doing with co-workers or superiors
- B) recognizing the ethical issue and openly discussing it with others

- C) ignoring the ethical issue until it goes away
- D) making decisions without recognizing the embedded ethical issue
- E) recognizing the ethical issue and keeping it secret

69) Which of the following is NOT a question to consider in determining whether an action is ethical?

- A) Are there any potential legal restrictions or violations that could result from the action?
- B) Does your company have a specific code of ethics or policy on the action?
- C) How does this activity fit with your own beliefs and values?
- D) Would this activity be accepted by your co-workers?
- E) Is this activity customary across all industries in your country?

70) Ethical decisions in an organization are influenced by individual moral standards, the influence of managers and co-workers, and

- A) individual religious values.
- B) informal ethical policies or rules.
- C) the opportunity to engage in misconduct.
- D) family influence.
- E) ethical values of clients.

71) Jim's boss often goes on Facebook at work. As a result, the rest of his team goes on Facebook as well. This is an example of

- A) individual moral standards.
- B) opportunity for misconduct.
- C) the influence of co-workers.
- D) the influence of managers.
- E) personal ethics.

72) Kim's company, Globotech, does not have established rules and policies on ethics. It is a small, independent company that depends on its employees to use their own judgment. This structure can lead to

- A) opportunity for misconduct.
- B) conflicts of interest.
- C) temptation to be influenced by managers.
- D) blaming others for personal conduct.
- E) pressure to act unethically.

73) Which of the following is true of professional codes of ethics?

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

74) Hwan was responsible for writing a document that provided guidelines and principles to help employees act in an acceptable, ethical manner. This document is called

- A) an employee contract.
- B) an HR manual.
- C) a company credo.
- D) a mission statement.
- E) a code of ethics.

75) A set of formalized rules and standards that describes what a company expects of its employees is called a

- A) contractual capacity.
- B) consumerist code.
- C) moral philosophy.
- D) social responsibility.
- E) code of ethics.

76) Codes of ethics, policies on ethics, and ethics training programs advance ethical behavior because they

- A) do not limit the opportunity for misconduct.
- B) result in expensive litigation.
- C) infringe on consumers' rights to be informed.
- D) prescribe which activities are acceptable and which are not.
- E) are strictly voluntary in nature.

77) According to the National Business Ethics Survey, employees in organizations that have written codes of conduct and ethics training, ethics offices or hotlines, and systems for reporting are more likely to

- A) ignore misconduct when they see it.
- B) find clever ways to hide their misconduct.
- C) report misconduct when they observe it.
- D) deal with misconduct on their own.
- E) assume that no misconduct exists in their organizations.

78) Codes of ethics foster ethical behavior by

- A) highlighting the religious implications of behaving in an unethical manner.
- B) limiting the opportunity to behave unethically by providing punishments for violations of the rules and standards.
- C) making the employees understand that they should use their own judgment to determine if an action is ethical.
- D) pointing out to the employees that ethical behaviors are subjective and are dependent on social perceptions.
- E) encouraging employees to be more competitive and profit-oriented.

- 79) A large number of _____ cases result in retaliation against the employee, even though the government has tried to take steps to protect workers and to encourage reporting of misconduct.
- A) executive
 - B) civil
 - C) whistleblowing
 - D) petty theft
 - E) federal
- 80) Which of the following is a reason why a code of ethics is important?
- A) It alerts employees about important issues and risks to address.
 - B) It provides an individual approach to dealing with ethical decisions.
 - C) It serves as an internal document, which is not shared with the public, suppliers, or regulatory authorities.
 - D) It negates the need to have systems for reporting or places to go for advice when facing an ethical issue.
 - E) It negates the need to evaluate and improve ethical decision making.
- 81) According to the National Business Ethics Survey (NBES), _____ is (are) the greatest determinant of future misconduct.
- A) a company's workforce
 - B) the external environment
 - C) the universal business overview
 - D) a company's ethical culture
 - E) a company's stakeholders
- 82) _____ is the act of an employee exposing an employer's wrongdoing to outsiders.
- A) Fraud
 - B) Whistleblowing
 - C) Plagiarism
 - D) Bullying
 - E) Gatekeeping
- 83) Which of the following is true of the Dodd-Frank Act passed by the U.S. Congress in 2010?
- A) It is an act that rewards organizations that follow high standards of business ethics.
 - B) It rewards business organizations that are found to be involved in unethical practices.
 - C) It protects the rights of foreign businesses operating in the United States.
 - D) It provides monetary rewards to those organizations that take action against employees involved in professional misconduct.
 - E) It encourages whistleblowers to provide information about corporate misconduct through monetary rewards.

- 84) All of the following are true of current trends in ethics programs EXCEPT
- A) organizations are moving away from legally-based ethical initiatives.
 - B) organizations are moving toward cultural- or integrity-based initiatives.
 - C) organizations recognize that effective business ethics programs are good for business performance.
 - D) firms that develop higher levels of trust function more efficiently and effectively and avoid damaged company reputations and product images.
 - E) lack of organizational ethics initiatives do not impact organizational objectives but do impact employee retention.
- 85) Which of the following is one of the most common factors that executives give for an increase in turnover?
- A) a lack of transparency among company leaders
 - B) an absence of unfair employee treatment
 - C) a decrease in attrition rate in a company
 - D) an increase in employee engagement
 - E) an absence of employee dissatisfaction
- 86) Being profitable relates to the _____ dimension of social responsibility.
- A) corporate citizenship
 - B) voluntary
 - C) ethical
 - D) legal
 - E) economic
- 87) Obeying the law is a business's
- A) right.
 - B) choice.
 - C) economic responsibility.
 - D) legal responsibility.
 - E) ethical responsibility.
- 88) _____ is the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their various stakeholders.
- A) Ethical well-being
 - B) Economic status quo
 - C) Virtual sustainability
 - D) Unaccountable consumerism
 - E) Corporate citizenship
- 89) Which of the following involves the activities and organizational processes adopted by businesses to meet their social responsibilities?
- A) carbon neutrality
 - B) corporate citizenship
 - C) hierarchical clustering
 - D) social dominance
 - E) organizational ethics

90) ABCD Corp takes great pains to make sure it meets the legal, ethical, economic, and voluntary responsibilities expected from its stakeholders. This company is demonstrating

- A) carbon neutrality.
- B) corporate citizenship.
- C) stakeholder sensitivity.
- D) social dominance.
- E) organizational ethics.

91) Which of the following is a dimension of social responsibility?

- A) political
- B) philosophical
- C) mechanical
- D) rational
- E) ethical

92) Globotech created its own continuing education program that offers eligible employees full tuition to pursue continuing education related to their roles at the company. It also created a scholarship program to help employees send their children to college. These programs exemplify the company's

- A) ethics, principles, and values.
- B) financial viability.
- C) compliance with legal and regulatory requirements.
- D) corporate citizenship.
- E) philanthropic activities.

93) All of the following are alternative energy sources EXCEPT

- A) solar.
- B) fossil fuel.
- C) wind.
- D) biofuel.
- E) hydro.

94) Philanthropic contributions made by a business to a charitable organization represent the _____ dimension of social responsibility.

- A) corporate citizenship
- B) economic
- C) legal
- D) ethical
- E) voluntary

- 95) Which of the following is an argument that supports social responsibility?
- A) Business may not have the expertise needed to assess and make decisions about social and economic issues.
 - B) The responsibility of business to society is to earn profits and create jobs.
 - C) As members of society, businesses and their employees should support society through taxes and contributions to social causes.
 - D) Participation in social programs gives businesses greater power, perhaps at the expense of concerned stakeholders.
 - E) Social problems are the responsibility of the government agencies and officials who can be held accountable by voters.
- 96) Studies have found a direct relationship between social responsibility and _____ in business.
- A) profitability
 - B) ethics
 - C) declining stock prices
 - D) happiness of stakeholders
 - E) global warming
- 97) Businesses must first be responsible to their _____, who are primarily concerned with earning a profit.
- A) clients
 - B) vendors
 - C) top managers
 - D) owners
 - E) employees
- 98) Social responsibility is an area of business with issues that
- A) stay constant due to consistent societal demands.
 - B) change occasionally in response to society's demands.
 - C) are easy to resolve.
 - D) change constantly in response to society's demands.
 - E) will eventually be completely resolved.
- 99) _____ is defined as the activities that individuals, groups, and organizations undertake to protect their rights as customers.
- A) Consumerism
 - B) Civil rights
 - C) Protectionism
 - D) Conspicuous consumption
 - E) The right to choose

100) Lucia always tells her friends and co-workers to lobby government agencies and boycott companies whose actions are irresponsible or harmful. This is called

- A) consumerism.
- B) civil rights.
- C) protectionism.
- D) conspicuous consumption.
- E) the right to choose.

101) Laws regarding workplace safety are enforced by the

- A) Federal Trade Commission.
- B) Occupational Safety and Health Administration.
- C) Environmental Protection Agency.
- D) Consumer Bill of Rights.
- E) Corrupt Practices Act.

102) The right to _____ means that a business must not knowingly sell anything that could result in personal injury or harm to consumers.

- A) choose
- B) information
- C) safety
- D) selection
- E) be heard

103) The right to choose ensures that

- A) consumers' interests will receive full and sympathetic consideration when the government formulates policy.
- B) consumers do not have to pay service taxes.
- C) consumers enjoy fair treatment if they voice complaints about a purchased product.
- D) consumers enjoy freedom to review complete information about a product before they buy it.
- E) consumers have access to a variety of goods and services at competitive prices.

104) The assurance of both satisfactory quality and service at a fair price is a part of the consumer's right to

- A) choose.
- B) be heard.
- C) be informed.
- D) safety.
- E) consider.

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

- A) choose
- B) be informed
- C) consider
- D) safety
- E) be heard

106) A major social responsibility for businesses is providing _____ for all employees.

- A) higher wages
- B) equal opportunities
- C) more free time
- D) better health care
- E) equal holiday pay

107) John F. Kennedy's 1962 consumer bill of rights outlined four rights: the right to be informed, the right to choose, the right to be heard, and the right to

- A) regulations.
- B) service.
- C) nondiscrimination.
- D) fix prices.
- E) safety.

108) The right to _____ gives consumers the freedom to review all details about the products they wish to buy.

- A) be informed
- B) be heard
- C) purchase
- D) choose
- E) speak out

109) Healthy Foods, Inc. started using a new experimental sugar substitute in its products. However, it didn't include that this sugar substitute could cause dizziness and nausea anywhere on its packaging. This is a violation of the consumers' right to

- A) be heard.
- B) choose.
- C) be informed.
- D) safety.
- E) be healthy.

110) Which of the following is true about the role of the Federal Trade Commission's Bureau of Consumer Protection?

- A) It protects consumers against unfair, deceptive, or fraudulent practices.
- B) It is divided into three divisions.
- C) It protects companies from unfair consumer demands.
- D) The Division of Enforcement investigates consumer violations of laws.
- E) It doesn't investigate unfulfilled holiday delivery promises by online shopping sites or scholarship scams.

111) Employees expect businesses to

- A) move completely to telecommuting.
- B) respect their rights as consumers.
- C) protect their investments.
- D) keep them informed of what is happening in the company.
- E) run the company without their input.

112) Which social responsibility issue is affected when a company provides parental leave to employees?

- A) employee relations
- B) relations with owners and stockholders
- C) consumer relations
- D) sustainability issues
- E) environmental issues

113) _____ involves the interaction among nature and individuals, organizations, and business strategies and includes the assessment and improvement of business strategies, economic sectors, work practices, technologies, and lifestyles, so that they maintain the health of the natural environment.

- A) Philanthropy
- B) Consumerism
- C) Sustainability
- D) Biodiversity
- E) Dualism

114) Pollution of water and soil from activities such as oil and gas drilling is primarily related to

- A) consumer relations.
- B) sustainability issues.
- C) community relations.
- D) employee relations.
- E) relations with stockholders.

115) The fact that environmental responsibility requires trade-offs means that it

- A) instigates trade relations.
- B) facilitates international competition.
- C) helps in generating profits.
- D) imposes costs on both business and the public.
- E) promotes the practice of fair trade.

116) The most common way that businesses exercise community responsibility is through

- A) establishing codes of ethics.
- B) submission of environmental reports.
- C) obeying the law.
- D) recycling.
- E) donations to charitable organizations.

117) _____ refers to attaching a positive environmental association on an unsuitable product, service, or practice.

- A) Greenwashing
- B) Whitewashing
- C) Green marketing
- D) Astroturfing
- E) Conspicuous conservation

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

- A) Ethnic cleansing
- B) Environmental protection
- C) Genocide
- D) Homicide
- E) Whistleblowing

119) A survey of employers conducted in Indiana revealed that _____ percent reported leaving positions unfilled because the applicants were not qualified.

- A) 3
- B) 11
- C) 66
- D) 51
- E) 39

120) Which of the following organizations funds programs to train the hard-core unemployed so that they can find jobs and support themselves?

- A) Transparency International
- B) Boston Consulting Group
- C) National Alliance of Businessmen
- D) National Business Ethics Organization
- E) British Financial Services

Essay Questions

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

122) Malik, an employee at Shield Corp., constantly yells at new employees in the workplace. In this context, discuss the kind of misconduct that Malik engages in and what the consequences are likely to be.

123) Nadia, a human resource executive with Enigma Corp., bought a pair of sunglasses online on a company computer during office hours. In this scenario, discuss the kind of misconduct that Nadia engaged in and other kinds of misconduct that belong to the same category as per the National Business Ethics Survey.

124) Kabal, an assistant pharmacist at Medusa Inc., stole money from the cash counter to purchase cocaine. In this scenario, discuss the ethics that Kabal has violated in his workplace.

125) Discuss four reasons why it is important for companies to have codes of ethics.

126) What are the arguments for and against social responsibility?