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Instructor Manual

Carroll/Brown, Business & Society: Ethics, Sustainability & Stakeholder Management, 11e, 9780357718629; Chapter 2: Corporate Social Responsibility, Performance, and Impact

Table of Contents

Purpose and Perspective of the Chapter 2
Cengage Supplements 2
Chapter Objectives 2
Complete List of Chapter Activities and Assessments 3
Key Terms 3
What's New in This Chapter 5
Chapter Outline 6
Discussion Questions 7
Additional Activities and Assignments 12
Appendix 14
Generic Rubrics 14
Standard Writing Rubric 14
Standard Discussion Rubric 15

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Purpose and Perspective of the Chapter

The purpose of this chapter is to explore several different aspects of the corporate social responsibility, or CSR, topic and provide some insights into what CSR means and how businesses are carrying it out. An entire chapter is devoted to CSR concepts because it is a core idea that underlies most of the material in the textbook. This chapter also focuses on the concept of corporate citizenship.

Cengage Supplements

The following product-level supplements provide additional information that may help you in preparing your course. They are available in the Instructor Resource Center.

- Instructor's Manual
- Transition Guide
- Test Banks
- PowerPoint Slides
- Case Notes

Chapter Objectives

The following objectives are addressed in this chapter:

02.01 Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it a unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?

02.02 Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.

02.03 Describe how the concept of corporate social responsiveness differs from CSR.

02.04 Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?

02.05 Describe how corporate citizenship is a valuable way of thinking about CSR. Explain its broad and narrow views.

02.06 Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).

02.07 Define CSR Greenwashing and how it may lead to misleading reputational profiles of companies.

02.08 Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.

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Complete List of Chapter Activities and Assessments

For additional guidance, refer to the Teaching Online Guide.

Chapter Objective	PPT Slide	Activity/Assessment	Duration
2.8	2	Icebreaker: Grassroots Good	10 minutes
2.1	9	Discussion: CSR Meaning	15 minutes
2.1	13	Discussion: The Pyramid of Corporate Social Responsibility	15 minutes
2.1	15	Discussion: Pyramid of CSR	15 minutes
2.1	17	Discussion: CSR Exemplar Firm	15 minutes
2.2	23	Discussion: Arguments against CSR	15 minutes
2.5	31	Discussion: Responsibility, Responsiveness, and Citizenship	20 minutes
2.8	43	Discussion: CSR Frameworks	15 minutes
2.9	47	Discussion: Impact Investing	15 minutes

[return to top]

Key Terms

Business Case for CSR: the reasons why businesspeople believe that CSR brings distinct benefits or advantages to their organizations as well as to the business community

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Business for Social Responsibility (BSR): formed to fill an urgent need for a national business alliance that fosters socially responsible corporate policies.

Conscious capitalism: a broader term for the concept of corporate social responsibility

Corporate citizenship: the concept of corporate social responsibility

Corporate social impact: addresses what impact or effect is being realized or felt by the recipients of the firm's performance initiatives

Corporate social performance (CSP): suggests that what really matters is what companies are able to achieve—the results or outcomes of their acceptance of CSR

Corporate social responsibility (CSR): seriously considering the impact of the company's actions on society

Corporate social responsiveness: an action-oriented variant of CSR

Creating shared value (CSV): argues that business and society could be brought back together again if businesses redefined their basic purpose as creating shared value

CSR exemplar firms: socially responsible firms have become models for other firms

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CSR Greenwashing: intentionally seeking to convey the image of a socially responsible firm when the evidence of their practices does not support this conclusion

Economic responsibilities: the objectives to produce goods and services that society needs and wants and to sell them at fair prices

Environmental, social, and governance (ESG) investing: a comprehensive investing approach complete with social and environmental screens, shareholder activism, and community investment

Ethical responsibilities: encompassing those decision and practice arenas in which society expects certain levels of moral or principled performance but for which it has not yet been articulated or codified into law

Explicit CSR: voluntary, self-interest-driven policies, programs, and strategies as is typical in U.S.-based understandings of CSR

Global corporate citizenship: international extensions of serious considerations of the impact of the company's actions on society

Impact investing: considers environmental, social, and corporate governance (ESG) criteria aimed at generating long-term competitive financial returns and positive societal impact

Implicit CSR: embraces the entirety of a country's formal and informal institutions that assign corporations an agreed-on share of responsibility for society's concerns

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Legal responsibilities: reflect society's view of "codified ethics" in the sense that they articulate basic notions of fair practices that are established by lawmakers

Mainstream adopters (of CSR): A third group of CSR exemplar firms that includes all other conventional businesses that have adopted, practiced, and achieved some degree of distinction or recognition for socially responsible policies and practices

Philanthropic responsibilities: these are perceived and understood as responsibilities because they reflect current expectations of business by the public

Philanthropy: organized charitable giving

Purpose-driven business: companies that operate with all important stakeholders in mind, not just shareholders

Pyramid of Corporate Social Responsibility (CSR): a useful way of graphically depicting the four-part definition of CSR with four layers or levels

Social enterprises: supposes that businesses do have a higher purpose than profits only

Social entrepreneurship: entrepreneurship that began their CSR initiatives at their founding and strategically carried it forward

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Social intrapreneurship: companies that did not have a specific social agenda as part of their initial formation but later developed from within a highly visible social agenda or program

Socially responsible, sustainable, or ethical investing: sometimes called impact investing

Stages of corporate citizenship: the challenges of credibility, capacity, coherence, and commitment that firms move through as they come to grips with developing more integrated citizenship agendas

Stakeholder–bottom line: the view that the firm has "multiple bottom lines" that benefit from CSP

Sustainability: business's ability to survive and thrive over the long term

Sustainable development: a pattern of resource use that aims to meet current human needs while preserving the environment so that these needs can be met not only in the present but also for future generations

[return to top]

What's New in This Chapter

The following elements are improvements in this chapter from the previous edition**:**

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- Name of Chapter 2 "Corporate Social responsibility, Citizenship and Sustainability" has been renamed to "Corporate Social responsibility, Performance and Impact".
- Title "Historical Perspective on CSR" (A-Head) has been renamed to "The beginnings of CSR"
- Figure 2-2 has been updated.
- Figure 2-3 has been updated.
- Ethics in Practice case "Do small businesses have social responsibilities" is added.
- Figure 2-6 has been updated.
- Title "Corporate social responsiveness and Corporate social Performance" (A-head) has been combined into one title "Corporate social responsiveness, Performance and Impact".
- Ethics in Practice case "Fresh, local and sustainable: Burger with a Soul" has been updated.
- Figure 2-8 has been updated.
- Myths about sustainability has been updated.
- Title "Creating shared value and conscious capitalism" (A-head) has been renamed to "Creating shared value, conscious capitalism and purpose-driven business".
- Figure 2-9 is added.
- Title "Socially responsible, sustainable, ethical Investing" (A-head) has been renamed to "Socially responsible, sustainable, ESG Investing".

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- Discuss Question has been updated.
- End Notes has been updated.

[return to top]

Chapter Outline

In the outline below, each element includes references (in parentheses) to related content. "CH.##" refers to the chapter objective; "PPT Slide #" refers to the slide number in the PowerPoint deck for this chapter (provided in the PowerPoints section of the Instructor Resource Center); and, as applicable for each discipline, accreditation or certification standards ("BL 1.3.3"). Introduce the chapter and use the Ice Breaker in the PPT if desired, and if one is provided for this chapter. Review learning objectives for Chapter 2. (PPT Slides 1–3).

2.1 Corporate Social Responsibility (CSR) as a Concept (Ch. 2.1, PPT Slides 6–19)
   a. Business Criticism–Social Response Cycle (Ch. 2.1, PPT Slide 7)
   b. Corporate Social Responsibility Related Concepts (Ch. 2.1, PPT Slide 8)
   c. The Beginnings of CSR (Ch. 2.1, PPT Slides 6–7)
   d. Evolving Meanings of CSR (Ch. 2.1, PPT Slide 9)
   e. A Four-Part Definition of CSR (Ch. 2.1, PPT Slides 11-12)
      1. Economic Responsibilities (Ch. 2.1, PPT Slides 11-12)
      2. Legal Responsibilities (Ch. 2.1, PPT Slides 11-12)
      3. Ethical Responsibilities (Ch. 2.1, PPT Slides 11-12)
      4. Philanthropic Responsibilities (Ch. 2.1, PPT Slides 11-12)
   f. The Pyramid of Corporate Social Responsibility (Ch. 2.1, PPT Slides 13)
   g. Top 20 Activities/ Characteristics of a Socially Responsible Company (Ch. 2.1, PPT Slides 16-17)
   h. Rise of CSR Exemplar Firms (Ch. 2.1, PPT Slide 14)

2.2 Traditional Arguments Against and For CSR (Ch. 2.2, PPT Slides 20-26)
   a. Arguments against CSR (Ch. 2.2, PPT Slide 21)
   b. Arguments in Support of CSR (Ch. 2.2, PPT Slide 22)
   c. The Business Case for CSR (Ch. 2.2, PPT Slide 23)
   d. Reasons and Benefits Supporting the Business Case for CSR (Ch. 2.2, PPT Slides 24-25)

2.3 CSR Greenwashing (Ch. 2.3, PPT Slides 27-28)

2.4 Political CSR (Ch. 2.4, PPT Slides 30)

2.5 Corporate Social Responsiveness, Performance, and Impact (Ch. 2.5, PPT Slides 28–31)
   a. Carroll's CSP Model (Ch. 2.5, PPT Slide 30)

2.6 Corporate Citizenship (Ch. 2.6, PPT Slides 31-34)
   a. Broad and Narrow Views (Ch. 2.6, PPT Slide 37)
   b. Stages of Corporate Citizenship (Ch. 2.6, PPT Slide 38)
   c. Global CSR and Corporate Citizenship (Ch. 2.6, PPT Slide 39)

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2.7 The Social Performance and Financial Performance Relationship (Ch. 2.7, PPT Slides 40-42)
   a. Three Perspectives on the Social-Financial-Reputation Relationship (Ch. 2.7, PPT Slide 41)
      1. Perspective 1: Socially responsible firms are more financially profitable. (Ch. 2.6, PPT Slide 41)
      2. Perspective 2: A firm's financial performance is a driver of its social performance. (Ch. 2.6, PPT Slide 41)
      3. Perspective 3: There is an interactive relationship between and among social performance, financial performance, and corporate reputation. (Ch. 2.6, PPT Slide 41)

2.8 Creating Shared Value, Conscious Capitalism, and Purpose-Driven Business (Ch. 2.8, PPT Slides 40–43)

2.9 Socially Responsible, Sustainable, ESG Investing (Ch. 2.9, PPT Slides 44–47)

2.10 Summary

[return to top]

Discussion Questions

You can assign these questions several ways: in a discussion forum in your LMS; as whole-class discussions in person; or as a partner or group activity in class.

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1. Discussion: CSR Meaning (pages 20–21, 2.1, PPT Slide 9) Duration 15 minutes.
   a. Question: Generally speaking, what does CSR mean? What are some of the earlier definitions of CSR? Why were they sometimes ambiguous?
      I. Answer: CSR meaning refers to the impact a company has on a society. Further definitions provided more detail to the obligations of decision makers to take actions that protect and improve the welfare of society along with their own interests. Therefore, CSR and a company's actions provided more context to what they were doing. However, other definitions provided more context for the shareholders possibly wondering why capital was being spent but not clearly seeing the results to the bottom line. Therefore, another definition supposes that the corporation has not only economic and legal obligation, but also certain responsibilities to society that extent beyond these obligations. Finally reaching the definition of CSR to encompass the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time.

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2. Discussion: The Pyramid of Corporate Social Responsibility (page 24, 2.1, PPT Slide 13) Duration 15 minutes.
    a. Question: Explain the Pyramid of Corporate Social Responsibility. Define each category and provide several examples of each "layer" of the pyramid. Identify and discuss some of the tensions among and between the layers or components. In what sense do the different layers of the pyramid "overlap" with each other?
        I. Answer: The Pyramid of Corporate Social Responsibility is a graphic representation of Carroll's four-part definition of CSR. According to Carroll, society has four expectations of a corporation—economic, legal, ethical, and philanthropic. The pyramid shows the economic responsibility at the bottom, because it is the foundation upon which all others rest. Society's first expectation of a corporation is that it will be profitable. This is consistent with classical economic thought, which provides that management must maximize the profits of its owners. Companies that repeatedly do not show a profit will see falling stock prices and eventual bankruptcy and may find it more difficult (if not impossible) to meet their legal, ethical, and philanthropic responsibilities. Several companies in both the automotive and airline industries struggled to meet their economic responsibilities and landed in bankruptcy as a result. The second level is legal, because society requires corporations to follow the law, just as they are required to make a profit. Companies can receive stiff penalties for breaking the law. In the last decade, hundreds of publicly traded companies were investigated by federal regulatory agencies for abusive practices related to stock option grants and were subjected to penalties due to faulty accounting and public disclosures. The third level is the ethical responsibility—society expects ethical behavior of companies. The corporate scandals that shaped the beginning of this century pointed out that society expects honest and fair reporting of financial operations by executives. If this expectation is violated, the executives can face criminal charges, as Martha Stewart and several Enron officials discovered. More recently, executives in financial services firms have found themselves subject to public scrutiny for arguably unethical practices related to aggressive lending practices. On the other hand, companies may find themselves recognized for their ethical activities. Starbucks and the Timberland Company are often recognized for their ethical practices. At the top is the philanthropic responsibility. Society desires this of corporations, but the company has discretion in whether it performs at this level or not. Walmart and AT&T are two firms that are widely praised for their philanthropic endeavors, especially their charitable cash contributions. While the economic responsibility is the base of the

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pyramid, a CSR or stakeholder perspective would focus on the pyramid as a unified whole. Companies are expected to fulfill their economic, legal, ethical and philanthropic responsibilities simultaneously, meaning that companies need to concurrently (1) make a profit, (2) obey the law, (3) be ethical, and (4) be a good corporate citizen. While the simultaneous fulfillment of all four responsibilities can be challenging, the best moral managers will use moral imagination to develop solutions to corporate dilemmas that meet all four responsibilities at the same time.

3. Discussion: Pyramid of CSR (pages 24–25, 2.1, PPT Slide 15)
    a. Question: In what sense is the Pyramid of CSR a unified whole, dynamic, and sustainable? How is it stakeholder inclusive?
        I. Answer: The unified whole pyramid from a stakeholder perspective would focus on how the firm should engage in decisions, actions, policies, and practices that simultaneously fulfill its four components' parts (Economic, Legal, Ethical, and Philanthropic). From the stakeholder perspective on the dynamic and sustainable models, each of the four CSRs would address different stakeholder perspectives and various priorities, which may change overtime. For instance, economic responsibilities impact owners, shareholders, and employees because if the business is not financially sustainable, owners, shareholders, and employees are directly impacted, who are also stakeholders.

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4. Discussion: CSR Exemplar Firm (page 26, 2.1, PPT Slide 17)
    a. Question: Explain what makes a CSR exemplar firm. Distinguish among social entrepreneurship, social intrapreneurship, and mainstream adopters.
        I. Answer: Exemplar firms are socially responsible firms that have become models for other firms. Social entrepreneurship firms are those firms that began their CSR initiatives at their founding and strategically carried it forward. Social intrapreneurship firms are companies that did not have a specific social agenda as part of their initial formation but later developed from within a highly visible social agenda or program. Mainstream adopters would include all other conventional businesses that have adopted, practiced, and achieved some degree of distinction or recognition for socially responsible policies and practices.

5. Discussion: Arguments Against CSR (page 28, 2.2, PPT Slide 23) Duration 15 minutes.
    a. Question: What is the one greatest strength of a pluralistic society? What is the one greatest weakness? Do these characteristics work for or against business?

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I. Answer: There are few, if any, legitimate arguments against CSR. The closest one could come to making a logical argument is that corporations should not be required to "fill the gaps" in social policy. That is, corporations should not be held responsible for providing funds and services for things that governments should be doing (e.g., school funding or social safety nets). The primary argument for CSR is that corporations are recognized as "persons" and receive as many, if not more, rights and privileges than do actual persons. If corporations are to benefit from such "citizenship," they should be expected to contribute to society, just like actual persons are. The *Wall Street Journal* recently reexamined this debate in an August 2010 story entitled "The Case Against Corporate Social Responsibility." In this article, Dr. Aneel Karnani, a professor of strategy at the University of Michigan's Stephen M. Ross School of Business, argues: "In cases where private profits and public interests are aligned, the idea of corporate social responsibility is irrelevant: Companies that simply do everything they can to boost profits will end up increasing social welfare. In circumstances in which profits and social welfare are in direct oppositeion, an appeal to corporate social responsibility will almost always be ineffective, because executives are unlikely to act voluntarily in the public interest and against shareholder interests." This article certainly has prompted many in the pro-CSR camp to respond. In a BusinessEthics.com article entitled "Opinion: The Case Against the Case Against CSR," Tim Mohin, the director of corporate responsibility at AMD, contends that CSR is a win-win situation for companies and that smart companies take a long view and build brand value and investment with CSR.

6. Discussion: Responsibility, Responsiveness, and Citizenship (page 31, 2.3 and 2.5, PPT Slide 31) Duration 15 minutes.
    a. Question: In small groups, differentiate between corporate social responsibility and corporate social responsiveness. Give an example of each. How does corporate social performance relate to these terms? Where do corporate citizenship and sustainability fit in?
        I. Answer: Carroll's four-part definition of corporate social responsibility is "The social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time." The concept of corporate social responsibility has been criticized because its focus is on accountability or obligation to meet certain minimum duties. Corporate social responsiveness is a more proactive and action-oriented concept, wherein business firms anticipate social expectations and meet them before they are imposed as a new

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responsibility on the company. A corporation that obeys existing laws is displaying corporate social responsibility. An example of corporate social responsiveness would be a firm providing child care benefits to its working parents, thus responding to the reality of issues faced by working families. Corporate social performance focuses on what firms are actually able to accomplish; specifically, the outcomes or results of their acceptance of corporate social responsibility and implementation of corporate social responsiveness. Corporate social performance includes a recognition of the four corporate responsibilities identified by Carroll and measures the success of the firm's responsiveness to these responsibilities.

7. Discussion: CSR Frameworks (pages 37–8, 2.8, PPT Slide 43)
    a. Compare and contrast the socially oriented concepts: CSR, corporate citizenship, sustainability, creating shared value, and conscious capitalism. Do these represent different forms of the business and society relationship, or do they represent how and why companies respond in a socially conscious manner?
        I. Answer: Corporate social responsibility (CSR) can be boiled down to a company's actions and how they affect society. This is a more board concept, whereas the others are a bit more specific. Corporate citizenship is the concept that a company should give back to a community simply because it is a member of that community. This is a philanthropic expectation. Sustainability has three different parts for a company: 1) Economic sustainability, which is looking out for its profits; 2) social sustainability, which focuses on the quality of people's lives and equality between people, communities, and nations; 3) environmental sustainability concerns protecting the environment, focusing on the planet. The people and planet aspects make sustainability more of an ethical expectation. Creating shared value speaks to the economic sustainability focus—the profits. Though shared value is about economic success for the company, the company also creates opportunity for economic success in other areas of the community, in a sense sharing the wealth. Conscious capitalism is another broad concept. It focuses on the interdependence of business, and working toward higher purpose, stakeholder orientation, conscious leadership, and conscious culture. If everything, including people, environment, and profit, is intertwined, to succeed a company must be conscious of its effect on each part. These concepts outline how and why companies respond in a socially conscious manner. As many of the concepts mention, social consciousness is linked to profits. Without those profits, companies no longer exist.

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8. Discussion: Impact Investing (pages 38–39, 2.9, PPT Slide 47) Duration 15 minutes.
    a. Question: Does socially responsible, sustainable, or ethical investing seem to you to be a legitimate way in which the average citizen might demonstrate her or his concern for CSR? Why is it also called impact investing? Discuss.
        I. Answer: On the one hand, socially responsible investing seems to send the message that the investor is concerned about the firm's CSP. However, the fact that returns on ethical investing approximate market returns seems to downplay this view. If the investor is truly concerned with the firm's CSP, he or she should be willing to accept a lower rate of return on the investment. In addition, the vast majority of investments never reach the firm. Unless the firm is offering a new issue of stock, the proceeds of the sale go to the previous owner of the securities, not to the firm. It is called impact investing because it considers environmental, social, and corporate governance criteria aimed at generating long-term competitive financial returns and positive societal impact.

[return to top]

Additional Activities and Assignments

1. **Cases:** In this chapter, instructors may utilize a combination of cases:

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1- Wal-Mart - The Main Street Merchant of Doom

2- Walmart's Labor Practices

3- Chipotle's Struggle with Food Safety: Back on Top Again?

4- The Theranos Story and Fake Blood Testing: Culture, Crime, and Hubris

7- Volkswagen's Diesel Deception and Its Aftermath

12- Family Business

19- An Ethical Dilemma for Chiquita in Colombia

23- McDonald's: The Coffee Spill Heard 'Round the World

24- Boeing's Two Flight Crashes

25- Should States Woo Big Business with Tax Incentives? Amazon Thinks So!

26- Everlane: Ethical Chic and Radical Transparency in Global Supply Chains

27- Slow and Sustainable Fashion

29- "Dead Peasant" Life Insurance Policies31- Two Vets, Two Dogs, and a Deadlock

33- To Take or Not to Take

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2. **Group Activity:**

   Have students establish the parameters for a social screen for investments. Specifically, ask students to identify the criteria for socially responsible investments. Once the class establishes the "social screen" as a group, divide the students into groups of four to five students.

   Each group will be given a theoretical account with $500 to invest in firms that meet the criteria established by the entire class. Each group should be given a week to research firms for potential investment. Each group should provide a summary sheet to the instructor allocating the $500 among socially responsible investments that meet the class criteria. Each group should track the return on their investments through the end of the semester and report the value of their portfolio at that time. Opportunity should be given to discuss why certain investments were made.

   Instructors may want to provide some type of reward for the group with the greatest return on investment. Groups that select companies that do not meet the class social screen should be disqualified.

3. **Individual Assignment:**

   Have students read the June 14, 2012, *Wall Street Journal* article entitled "The Case Against Corporate Social Responsibility," by Dr. Aneel Karnani (see http://online.wsj.com/article/SB10001424052748703338004575230112664504890.html).

   Ask students to independently research academic and business responses to this article. Students should summarize the arguments for and against corporate social responsibility based upon their review of Dr. Karnani's article and their own independent research. Students then should state which argument they find most persuasive and why.

[return to top]

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Appendix

Generic Rubrics

Providing students with rubrics helps them understand expectations and components of assignments. Rubrics help students become more aware of their learning process and progress, and they improve students' work through timely and detailed feedback. Customize these rubrics as you wish. The writing rubric indicates 40 points and the discussion rubric indicates 30 points.

Standard Writing Rubric

Criteria	Meets Requirements	Needs Improvement	Incomplete
Content	The assignment clearly and comprehensively addresses all questions in the assignment. 15 points	The assignment partially addresses some or all questions in the assignment. 8 points	The assignment does not address the questions in the assignment. 0 points
Organization and Clarity	The assignment presents ideas in a clear manner and with strong organizational structure. The assignment includes an appropriate introduction, content, and conclusion. Coverage of facts, arguments, and conclusions are logically related and consistent. 10 points	The assignment presents ideas in a mostly clear manner and with a mostly strong organizational structure. The assignment includes an appropriate introduction, content, and conclusion. Coverage of facts, arguments, and conclusions are mostly logically related and consistent. 7 points	The assignment does not present ideas in a clear manner and with strong organizational structure. The assignment includes an introduction, content, and conclusion, but coverage of facts, arguments, and conclusions are not logically related and consistent. 0 points
Research	The assignment is based upon appropriate and adequate academic literature, including peer-reviewed journals and other scholarly work. 5 points	The assignment is based upon adequate academic literature but does not include peer-reviewed journals and other scholarly work. 3 points	The assignment is not based upon appropriate and adequate academic literature and does not include peer-reviewed journals and other scholarly work. 0 points
Research	The assignment follows the required citation guidelines. 5 points	The assignment follows some of the required citation guidelines. 3 points	The assignment does not follow the required citation guidelines. 0 points
Grammar and Spelling	The assignment has two or fewer grammatical and spelling errors. 5 points	The assignment has three to five grammatical and spelling errors. 3 points	The assignment is incomplete or unintelligible. 0 points

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Standard Discussion Rubric

Criteria	Meets Requirements	Needs Improvement	Incomplete
Participation	Submits or participates in discussion by the posted deadlines. Follows all assignment instructions for initial post and responses. 5 points	Does not participate or submit discussion by the posted deadlines. Does not follow instructions for initial post and responses. 3 points	Does not participate in discussion. 0 points
Contribution Quality	Comments stay on task. Comments add value to discussion topic. Comments motivate other students to respond. 20 points	Comments may not stay on task. Comments may not add value to discussion topic. Comments may not motivate other students to respond. 10 points	Does not participate in discussion. 0 points
Etiquette	Maintains appropriate language. Offers criticism in a constructive manner. Provides both positive and negative feedback. 5 points	Does not always maintain appropriate language. Offers criticism in an offensive manner. Provides only negative feedback. 3 points	Does not participate in discussion. 0 points

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Chapter 02: Corporate Social Responsibility, Performance, and Impact

1. A society more satisfied with corporate social responsiveness, performance, and citizenship will invariably have reduced criticism of business.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Ethical Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

2. The marketplace in the classical view of economics, while being a good allocator of goods and services, does not do a good job of ensuring that business always acts fairly and ethically.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Ethical Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

3. The classical economic concept by Adam Smith of the "invisible hand" was a major starting point for business responsibility.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain

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	how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Ethical Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

4. Sustainability focuses on containing the environmental fallout of industrial production.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Ethical Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

5. In Carroll's four-part definition of corporate social responsibility, ethical responsibilities are required of business only by society, and not by businesses themselves.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Ethical Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

6. In practical terms, the socially responsible firm *must* be involved in philanthropy, as society expects it.

a. True

b. False

ANSWER:	False
POINTS:	1

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DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

7. The CSR Pyramid is a stakeholder model; that is, each of its components addresses different stakeholders.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

8. Friedman proposed that businesses never had any obligation to act ethically.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
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KEYWORDS: BLOOM'S: Comprehension

9. The CSR pyramid is particularly useful and applicable to the global economy.
   a. True

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b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

10. A survey done by Walker Information shows that the public believes that CSR does not factor into a company's reputation at all.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

11. Proponents of the concept of corporate social responsiveness believe that the focus of corporate social responsibility on accountability or obligation is not dynamic enough to describe business's willingness and activity to respond to social demands.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.3 - Describe how the concept of corporate social responsiveness differs from CSR.
NATIONAL STANDARDS: United States - BUSPROG: Ethics

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STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

12. Corporate social responsiveness is focused on the action phase of management response to social demands.
a. True
b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.3 - Describe how the concept of corporate social responsiveness differs from CSR.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

13. Carroll's Corporate Social Performance Model helps managers understand that social responsibility is separate and distinct from financial performance.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.4 - Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?
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STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

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14. Corporate social performance emphasizes the financial results of what the firm hopes to accomplish.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.4 - Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

15. The corporate social performance concept has not yet spread to the business community.

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a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.4 - Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

16. One of the biggest advances in corporate social performance is that all agree that performance criteria need only be responsive and not anticipatory.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.4 - Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

17. Research has indicated that improvements in corporate social performance are associated with improved financial results.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.4 - Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

18. In order to operate with a true stakeholder perspective, firms must accept the multiple bottom-line view.

a. True

b. False

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ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

19. Socially responsible investing is a very new concept, originating in the early 1990s.
    a. True
    b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

20. Social screening is the mechanism by which socially conscious investors choose their investment advisors.
    a. True
    b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

21. An early view of CSR stated that CSR
    a. is considering the impact of the company's actions on society.
    b. is embracing longer-term concern for people, planet, and profits.
    c. is accomplishing the firm's social action goals.
    d. is how the company purpose is broader than products, services, and profits.

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ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

22. Corporate social responsibility focuses on
    a. obligation and accountability.
    b. action and activity.
    c. outcomes and results.
    d. socially responsible investing.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

23. The concept of business responsibility based on using laws to constrain business behavior is referred to as the
    a. neoclassical economic model.
    b. socialist model.
    c. legal model.
    d. stakeholder model.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary

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globally?

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KEYWORDS: BLOOM'S: Comprehension

24. The concept of business responsibility that is based on concern for the various groups that are affected by a business is known as the

a. legal model.
b. classical economic model.
c. ethical model.
d. stakeholder model.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
KEYWORDS: BLOOM'S: Comprehension

25. The most efficient use of corporate wealth to benefit the public is though contributions to charity and other worthy causes, which is called _____.

a. taxation
b. philanthropy
c. paternalism
d. corporate welfare

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

26. Which of the following is *not* one of the responsibilities in Carroll's four-part definition of corporate social responsibility?

a. economic
b. social

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c. legal
d. philanthropic

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

27. The part of corporate social responsibility that focuses on fair prices and profits is
a. economic.
b. legal.
c. ethical.
d. philanthropic.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

28. The part of corporate social responsibility that focuses on fulfilling the social contract by following the law is
a. economic.
b. legal.
c. ethical.
d. philanthropic.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain

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	how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Analytic United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: Legal Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

29. The part of corporate social responsibility that focuses on activities and practices that are expected by society, but not codified into law, is

a. economic.
b. legal.
c. ethical.
d. philanthropic.

ANSWER:	c
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Ethical Responsibilities
KEYWORDS:	BLOOM'S: Comprehension

30. The part of corporate social responsibility that focuses on business's voluntary activities that are not normally expected of a firm is

a. economic.
b. legal.
c. ethical.
d. philanthropic.

ANSWER:	d
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
STATE STANDARDS:	United States - GA - DISC: Environmental Influence United States - GA - DISC: Ethical Responsibilities

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KEYWORDS: BLOOM'S: Comprehension

31. The _____ portrays the concurrent fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities.

a. Pyramid of Corporate Social Responsibility
b. Corporate Citizenship concepts
c. Social Response Cycle
d. None of the answer choices is correct.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

32. Which of the following is *not* a characteristic of a socially responsible company?

a. makes products that are safe
b. makes above average financial returns
c. does not pollute air or water
d. recycles within the company

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

33. Which of the following is *not* a dimension of Carroll's corporate social performance model?

a. social responsibility categories
b. funding sources
c. philosophy of social responsiveness
d. issues

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ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

34. All of the following are arguments commonly made against corporate social responsibility *except*
    a. social problems should be addressed first by the free-market economic system, and then, if necessary, by government.
    b. businesses are not equipped to handle social activities.
    c. businesses already have enough power—they should not be given more.
    d. businesses did not create today's social problems, so they should not be expected to solve them.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

35. The first and primary argument for corporate social responsibility is
    a. it is a way to gain more power.
    b. a business is best equipped to handle social problems.
    c. it is in a business's long-range interest to be socially responsible.
    d. the free-market economic system has proven to be ineffective in dealing with social problems.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities

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KEYWORDS: BLOOM'S: Comprehension

36. Which of the following is *not* an argument commonly used in favor of corporate social responsibility?
a. Businesses are best equipped to handle social problems.
b. It is in the long-range interest of business to be socially responsible.
c. Being socially responsible helps ward off government intervention and regulation.
d. Businesses have the resources to combat social problems.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

37. The book *The Civil Corporation* identifies four ways in which business firms respond to social pressures. Which of the following is *not* one of those?
a. defensive approach
b. cost-benefit approach
c. strategic approach
d. stakeholder approach

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

38. According to the Business Case for CSR, a reason companies are becoming more socially responsible is all of the following *except*
a. access to capital.
b. increased revenue.
c. cost savings.
d. customer demand.

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

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HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

39. The _____ argument against CSR focuses on the consequence of the requirement that business must internalize costs that it formerly passed on to society in the form of dirty air and unsafe products, the costs of which might necessitate raising prices.

a. resources available
b. businesses are not equipped
c. dilutes business purpose
d. global competitiveness

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

40. Classical economics holds that

a. business has too much power.
b. CSR dilutes business's primary purpose.
c. managers do not have the expertise to make social decisions.
d. management's one responsibility is to maximize shareholder wealth.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

41. The traditional concept of business responsibility in the United States is based on

a. democracy.
b. socialism.
c. the classical economic model.
d. the neoclassical economic model.

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ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

42. _____ is depicted as an action-oriented variant of CSR.
a. Corporate social responsiveness
b. Corporate social responsibility
c. Corporate societal responsibility
d. Corporate social performance

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.3 - Describe how the concept of corporate social responsiveness differs from CSR.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

43. Corporate social responsiveness emphasizes
a. obligation and accountability.
b. action and activity.
c. outcomes and results.
d. socially responsible investing.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.3 - Describe how the concept of corporate social responsiveness differs from CSR.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
KEYWORDS: BLOOM'S: Comprehension

44. Corporate social performance emphasizes
a. obligation and accountability.
b. action and activity.

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c. outcomes and results.

d. socially responsible investing.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.3 - Describe how the concept of corporate social responsiveness differs from CSR.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

45. Carroll's corporate social performance model can be used in all of the ways listed below *except*

a. providing a conceptualization that could lead to better managed social performance.

b. providing answers to specific social problems.

c. using it as a planning tool.

d. identifying categories within which the organization can be situated.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.4 - Explain how corporate social performance (CSP) became more popular. Describe how it is different than CSR. What does corporate social impact address?
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

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46. The view of corporate citizenship that embraces all that is implied in the concepts of social responsibility, responsiveness, and performance is the _____ view.

a. unlimited

b. broad

c. narrow

d. limited

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.5 - Describe how corporate citizenship is a valuable way of thinking about CSR. Explain its broad and narrow views.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

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47. The narrow view of corporate citizenship focuses solely on
    a. ecological issues.
    b. employee relations.
    c. corporate community relations.
    d. stakeholder management.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.5 - Describe how corporate citizenship is a valuable way of thinking about CSR. Explain its broad and narrow views.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

48. Benefits to companies of good corporate citizenship include all of the following *except*
    a. improved employee relations.
    b. improved customer relations.
    c. improved business performance.
    d. fewer government regulations.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.5 - Describe how corporate citizenship is a valuable way of thinking about CSR. Explain its broad and narrow views.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

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49. The socially responsible firm should strive to do all of the following *except*
    a. make a profit.
    b. focus primarily on responsibility as a public image.
    c. be ethical.
    d. be a good corporate citizen.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Ethics

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STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

50. The relationship between corporate social performance and financial performance is viewed from three different perspectives. The most popular view is based on the belief that

a. socially responsible firms are more financially profitable.
b. more profitable firms have the ability to be more socially responsible.
c. social responsibility and financial performance are inter-related and affect each other.
d. there is no relationship between social responsibility and financial performance.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

51. The relationship between corporate social performance and financial performance is viewed from three different perspectives. The perspective that views social responsibility as a "fair weather" concept

a. has been studied extensively.
b. views social responsibility as driven by the firm's financial performance.
c. is the most popular of the three perspectives.
d. sees an interactive relationship among social performance, financial performance, and corporate reputation.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

52. The relationship between corporate social performance and financial performance is viewed from three different perspectives. The symbiotic view

a. states that financial performance determines social performance.
b. high social performance leads to improved financial performance.
c. states that there is an interactive relationship among social performance, financial performance, and corporate reputation.
d. is synonymous with the contingency view of Husted.

ANSWER: c

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POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

53. Which of the following is NOT a key principle of conscious capitalism?
a. higher purpose
b. stakeholder orientation
c. profit culture
d. conscious leadership

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

54. With which of the following companies is most likely to encounter a possible case of greenwashing?
a. Old Navy
b. Microsoft
c. Lowes Hardware
d. Caterpillar Earth moving equipment

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.7 - Define CSR Greenwashing and how it may lead to misleading reputational profiles of companies.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

55. According to the consulting firm TerraChoise, what share of products marketed as eco-friendly have committed at least one of the greenwashing sins?
a. 25 percent

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b. 50 percent
c. 75 percent
d. 95 percent

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.7 - Define CSR Greenwashing and how it may lead to misleading reputational profiles of companies.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

56. Financial returns from socially conscious investment funds are
a. competitive with returns from other investments.
b. higher than returns from other investments.
c. slightly lower than returns from other investments.
d. much lower than returns from other investments.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

57. Which of the following social movements of the 1960s did not inspire the emergence of corporate social responsibility in the 1960s?
a. Civil Rights
b. Environmentalism
c. Progressive Movement
d. Anti-War Movement

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.

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NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

58. Which of the following is not a common mistake in the usage of purpose in describing CSR and conscious capitalism?
a. using a vague purpose
b. equating purpose with philanthropy
c. completely restyling corporate culture
d. making purpose a project

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

59. Who developed the concept of conscious capitalism?
a. John Mackey
b. Marc Zuckerberg
c. Steve Jobs
d. Warren Buffet

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

60. Which of the following would a socially conscious investor concerned about impoverished American communities seek out with a positive screening mechanism?
a. Toms.com
b. Shell Oil
c. Greenpeace
d. Whole Foods

ANSWER: a
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Analytic
United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

Provide a short answer to each of these questions. Be sure to fully explain your answer.

61. Explain why Business for Social Responsibility (BSR) was formed.
ANSWER: BSR was formed to fill an urgent need for a national business alliance that fosters socially responsible corporate policies. Identification of this need was aided by the close scrutiny that business has been receiving for the past three decades (as outlined in Chapter 1).
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

62. In Carroll's four-part definition of corporate social responsibility, he includes philanthropic responsibilities, yet he describes these as voluntary or discretionary. Explain this seeming contrast between a responsibility and a voluntary activity.
ANSWER: Carroll says that philanthropy is a responsibility because it is expected of business by society. However, it is not required, as are the economic and legal responsibilities. Business can forego philanthropic activities without suffering sanctions from society, and it has discretion in what causes it supports and how it contributes to those causes.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?

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NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

63. One of the arguments that opponents of corporate social responsibility use is that business already has enough power, so society should not grant it more power by relying on it to alleviate social problems. Evaluate this argument.
ANSWER: In many ways, the arguments for corporate social responsibility can be summarized by the old saying, "to whom much is given, much is expected." Business already has a high degree of power in our society, and so, according to this saying, it should be expected to help solve social problems. Because business already has this power, it does not seem that society would be losing anything by requiring business to use it to solve social problems, rather than focus solely on gaining further financial rewards for itself.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

64. One of the arguments against corporate social responsibility is that by requiring more of U.S. corporations, they may be put at a disadvantage relative to foreign competitors. Evaluate this argument.
ANSWER: This argument is fallacious on its face. Corporate social responsibility is rapidly becoming a global concern, and many other countries require more from their corporations than the U.S. requires.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

65. In the 1890s, the Robber Barons began to use their personal wealth and the wealth accumulated by their corporations to enhance the social good. Their philanthropic activities were encouraged, in part, because public opinion was demanding that the government do something to limit their power. Is this type of activity still occurring in the United States? Why or why not?
ANSWER: Philanthropic activity to help ward off government intervention is still a central reason business uses to justify the corporate social responsibility concept. In fact, this is a central argument in support of CSR today.
POINTS: 1
DIFFICULTY: Moderate

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QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.2 - Articulate the traditional arguments both against and for CSR. Explain how the business case for CSR has strengthened the concept's acceptance.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

66. Summarize the argument used to explain why the concept of corporate social responsiveness is an improvement over corporate social responsibility.
ANSWER: Corporate social responsibility's emphasis on obligations and accountability implied that business should do only the minimum that would satisfy the duties imposed on it by society. Corporate social responsiveness, on the other hand, emphasizes a proactive, dynamic, and action orientation. In this paradigm, business should actively seek to meet social needs before they become a duty imposed by society. Using this approach both encourages social performance by business and allows it more latitude in what actions it will take.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.3 - Describe how the concept of corporate social responsiveness differs from CSR.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

67. Explain the concept of "multiple bottom lines." Why do advocates of this approach prefer it over the traditional method of measuring the firm's financial performance?
ANSWER: Advocates of the multiple bottom-line approach argue that there is more to a firm's overall performance than simply its financial results of operations. Using the definitions of dual-entry bookkeeping, benefits provided to any constituent other than owners (e.g., compensation to workers, payments to suppliers, costs to reduce pollution) are regarded as "evils" to be kept at a minimum. The multiple bottom-line approach recognizes that a firm has many stakeholders, and that not all stakeholders share common objectives. By reporting on several aspects of the firm's performance, including financial, proponents say that enhanced information is provided and the firm can better assess its impact on society.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

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68. What are the most common greenwashing sins?

ANSWER: The most common greenwashing sins range from using weak data to support marketing claims to more deliberate deceptions such as inventing bogus certifications. In addition, some companies may be participating in a more generalized version of the environmental subterfuge that we might call CSR Greenwashing: intentionally seeking to convey the image of a socially responsible firm when the evidence of their practices does not support this conclusion.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.7 - Define CSR Greenwashing and how it may lead to misleading reputational profiles of companies.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

69. Why has Political CSR emerged, especially in European countries?

ANSWER: In Europe, the government historically has assumed a larger role in providing societal benefits. There, PCSR includes those business activities that elevate corporations to political agents. This means they engage in public deliberations, collective decisions, and the provision of public goods or the restriction of public ills when public authorities are unable or unwilling to fulfill this role.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.7 - Define CSR Greenwashing and how it may lead to misleading reputational profiles of companies.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

70. Describe socially responsible investing.

ANSWER: The basic concept underlying socially responsible investing is that some investors seek to place their money in companies that behave in socially responsible ways. Looking at it from the opposite perspective, these investors do not want to invest in firms that act in socially irresponsible ways, such as damaging the environment or neglecting workers' rights. A whole methodology has grown to support socially responsible investing, including social and environmental screens, shareholder activism, and community investment. More than $2 trillion is invested in this manner in the United States, and returns are competitive with other investment vehicles.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False

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PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: 2.8 - Describe and characterize the socially responsible investing movement. Differentiate between negative and positive screens that are used in investment decisions.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

Utilize the knowledge you have gained to respond to the following essay questions. Your answers should state your position and use logical arguments and content from this and other chapters in the textbook to support it.

71. The primary argument for corporate social responsibility states that for business to have a healthy climate in which to operate in the future, it must take current action to assure its long-term viability. Is this long-range self-interest argument valid? Does it encompass all that society wants from business?
ANSWER: Students should recognize that the argument is certainly valid. Survival is a central motive for all organisms/organizations. Therefore, taking action to improve one's chances for survival is a valid and appropriate response. This is true whether one is talking about eating the right foods and exercising for humans, or socially responsible activities for corporations. The debate should take place over the question of whether it encompasses all that society wants from business. Stated in another way, is survival the only motive we expect from each other and from our business institutions? Some students will be convinced that self-interest is all that we can realistically expect from business, while others will argue that business is part of a larger society, and thus should be expected to contribute to society in ways that benefit others, for reasons beyond survival. This debate should mirror the continuing discussion between individualistic political philosophers and communitarians.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
PREFACE NAME: ES Instructions
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

72. Explain the concept of the stakeholder bottom line.
ANSWER: The concept of the stakeholder bottom line maintains that the impacts or benefits of social performance cannot be fully measured or appreciated by considering only the impact on the firm's financial bottom line. The reasoning is that CSP cannot be fully comprehended unless its impacts on stakeholders, such as consumers, employees, the community, and other stakeholder groups, are recognized and measured. Research may never conclusively demonstrate a simple relationship between CSP and financial performance. But a stakeholder perspective may be more straightforward to assess the impact of CSP on multiple stakeholders.
POINTS: 1

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DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
PREFACE NAME: ES Instructions
LEARNING OBJECTIVES: 2.1 - Describe some early views of corporate social responsibility (CSR). Explain how CSR evolved and encompasses economic, legal, ethical, and philanthropic components. Explain the Pyramid of CSR. How is it unified whole, dynamic, and sustainable? How does ethics permeate the pyramid? Will the pyramid vary globally?
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence
KEYWORDS: BLOOM'S: Comprehension

73. Distinguish between the concepts of corporate social responsibility, corporate social responsiveness, corporate social performance, and corporate citizenship. How are these ideas different from each other? How are they similar?
ANSWER: Students should recognize that responsibility focuses on accountability and obligations imposed on business by society. This is the most passive of the four concepts, which is its primary shortcoming. Responsiveness implies proaction and activity by business in anticipating social needs before they become duties imposed by society. This concept is an improvement over responsibility, but it still does not incorporate the results of its activities. This shortcoming is addressed by performance, with its focus on outcomes. Corporate citizenship encompasses all three of the other concepts, but does not really add much new to the discussion.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
PREFACE NAME: ES Instructions
LEARNING OBJECTIVES: 2.5 - Describe how corporate citizenship is a valuable way of thinking about CSR. Explain its broad and narrow views.
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Ethical Responsibilities
KEYWORDS: BLOOM'S: Comprehension

74. Which of the stakeholder bottom lines do you consider most important? Explain your answer.
ANSWER: Students should recognize that this is "trick" question. The whole point of the Triple Bottom Line is to move *away* from the idea that one area is more important than the others. Using the Triple Bottom Line points out the importance and inter-relation of all three, and the effects they have on various stakeholders.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
PREFACE NAME: ES Instructions
LEARNING OBJECTIVES: 2.6 - Summarize the three perspectives on the relationship between corporate social performance (CSP) and corporate financial performance (CFP).
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence

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KEYWORDS: BLOOM'S: Comprehension

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