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File: Chapter 2, Deciding What's Right: A Prescriptive Approach

True/False

1. An *ethical dilemma* is defined as a situation where two or more "right" values are in conflict.

Ans: True
Response: See Ethical Dilemmas
Difficulty: Easy

2. A challenge involved in using a strictly consequentialist approach is that it is often difficult to obtain the information required to evaluate all of the consequences for all stakeholders who may be directly or indirectly affected by an action or decision.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Medium

3. A stakeholder is any person who only owns stock in a company.

Ans: False
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

4. The consequentialist approach protects the rights of the minority.

Ans: False
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

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5. Business managers generally rely on the consequentialist approach.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

6. A major challenge of deontological approaches is deciding which duty, obligation, right, or principle takes precedence because ethical dilemma often pit these against each other.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

7. American political philosopher John Rawls proposed that decision makers use a veil of ignorance exercise to arrive at fundamental principles of justice that should guide ethical decision making.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Difficult

8. A utility ethics perspective considers the actor's character, motivations, and intentions.

Ans: False
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Easy

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9. A virtue ethics perspective requires a moral actor to look to the community that will hold the moral actor to the highest ethical standard and support the moral actor's intention to be a virtuous person.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

10. A virtue ethics approach is particularly useful for individuals who work within a professional community, such as the accounting profession, that has developed high standards of ethical conduct for community members.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

11. The Golden Rule asks, "How would you feel if your behavior appeared publicly on _____? You fill in the blank.

Ans: False
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

12. Ethical dilemmas represent conflicts in values.

Ans: True
Response: See Ethical Dilemmas
Difficulty: Moderate

13. According to Lawrence Kohlberg, developer of a key theory of moral reasoning, role taking is useless as nothing is gained by putting yourself in the shoes of others.

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Ans: False
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

14. In business, concerning yourself with how your decision making affects stakeholders is useless given the number of stakeholders and their different interests.

Ans: False
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

15. Despite the disclosure rule, making decisions in private to avoid negative reaction is generally best for a business as it safeguards your firm's reputation and keeps competitive information away from your competitors.

Ans: False
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

16. Creativity and thinking out of the box are just a scoundrel's way of saying that coming up with alternatives in solving how you handle ethical issues are valuable skills to keep you from being caught.

Ans: False
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

17. An appearance of a conflict of interest can be as damaging as an actual conflict.

Ans: True
Response: See Practical Preventive Medicine
Difficulty: Moderate

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18. If you are asked to make hastily a decision that you believe raises potential ethical issues you should be a good team player and proceed with the decision.

Ans: False
Response: See Practical Preventive Medicine
Difficulty: Moderate

19. It is good advice to go with your gut.

Ans: False
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

20. Most business managers rely on a deontological approach.

Ans: False
Response: See Prescriptive Approaches to Ethical Decision Making in Business.
Most managers rely on a utilitarian (or teleological) approach. Difficulty: Moderate

21. Utilitarianism is the best known example of a consequential theory.

Ans: True
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Easy

22. Although all of the philosophical approaches have limitations, an individual must choose one approach and follow its guidance in every situation.

Ans: False

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Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

23. Generally, ethical dilemmas are not routine. Therefore, there is no way that an individual can be prepared or informed for a problem ahead of time.

Ans: False
Response: See Eight Steps to Sound Ethical Decision Making in Business. It is important that you do your homework and understand how to protect yourself and your employer. This will give you a "head's up" when you face potential ethical dilemmas.
Difficulty: Easy

Multiple Choice

24. A _____ is any person or group with a stake in the issue at hand.
a) stakeholder
b) large customer
c) community committee
d) government party

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Easy

25. Rachael likes to win. She also holds the value of being honest and having high levels of integrity. Given that these two values, winning and integrity, are in conflict, Rachael likely confronts which of these often?
a) Consequentialist theory
b) Utility approach
c) Ethical dilemma
d) Principled position

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Ans: c
Response: See Ethical Dilemmas
Difficulty: Moderate

26. Bianca focuses on the consequences when deciding what is right or wrong. Which of these theories is Bianca focused on?
a) Virtue-based
b) Deontological
c) Teleological
d) Principled

Ans: c
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

27. The _____ approach to ethical decision making focuses on how people actually make ethical decisions.
a) prescriptive
b) descriptive
c) illustrative
d) regulatory

Ans: b
Response: See Ethics and the Individual
Difficulty: Easy

28. The _____ approach to ethical decision making focuses on what decision an individual *should* make.
a) prescriptive
b) descriptive
c) illustrative
d) regulatory

Ans: a

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Response: See Ethics and the Individual
Difficulty: Easy

29. The prescriptive approach is to _____ as the descriptive approach is to _____.
a) psychology; philosophy
b) philosophy; psychology
c) would; does
d) none of these

Ans: b
Response: See Ethics and the Individual
Difficulty: Difficult

30. _____ is probably the best-known consequentialist theory.
a) Utilitarianism
b) The disclosure rule
c) Deontological
d) Principle of value

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

31. The _____ states that an ethical decision should maximize benefits to society and minimize harms.
a) principle of value
b) theory of cost-benefit analysis
c) principle of efficacy
d) principle of utility

Ans: d
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

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32. A _____ focuses on doing what is "right" (based on moral principles or values such as honesty), whereas a _____ focuses on doing what will maximize societal welfare.
a) utilitarian; virtue follower
b) deontologist; consequentialist
c) virtue follower; utilitarian
d) consequentialist; deontologist

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Difficult

33. A major challenge of _____ approaches is deciding which duty, obligation, right, or principle takes precedence because, as we said earlier, ethical dilemmas often pit these against each other.
a) utilitarian
b) deontological
c) teleological
d) consequentialist

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

34. Jerome abides by the "Golden Rule -- Do unto others as you would have them do unto you." This is an example of which of these approaches to ethical decision making?
a) Utilitarian
b) Deontological
c) Teleological
d) Consequentialist

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

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35. The _____ approach focuses more on the integrity of the moral actor (the person) than on the moral act itself (the decision or behavior).
a) utilitarian
b) deontological
c) teleological
d) virtue ethics

Ans: d
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

36. The _____ challenges one to ask, "how would you feel if your behavior appeared in *The Wall Street Journal*?"
a) veil of ignorance
b) categorical imperative
c) disclosure rule
d) confession constraint

Ans: c
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

37. Which of these is the first step in the sound ethical decision making in business?
a) Define the ethical issues
b) Gather the facts
c) Identify the affected parties
d) Check your gut

Ans: b
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

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38. In her desire to make sound ethical decisions, Maggie was advised to "Do your homework" by her mentor. This is part of which step in the sound ethical decision making in business?
a) Define the ethical issues
b) Gather the facts
c) Identify the affected parties
d) Check your gut

Ans: b
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

39. "Role taking" is a skill appropriate in which step in the sound ethical decision making in business?
a) Define the ethical issues
b) Gather the facts
c) Identify the affected parties
d) Check your gut

Ans: c
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

40. Disclosure rule is appropriate to explore in which step in the sound ethical decision making in business?
a) Define the ethical issues
b) Gather the facts
c) Consider your character and integrity
d) Check your gut

Ans: c
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

41. Which of these is the final step in the sound ethical decision making in business?

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a) Define the ethical issues
b) Gather the facts
c) Identify the affected parties
d) Check your gut

Ans: d
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

Matching Exercise I

Reference 42-48: Matching Key Terms and Descriptions (each can be used more than once)
a) Deontological approach
b) Teleological (or Consequential) approach
c) Virtue ethics approach

42. Focuses on doing what is "right" based on broad, absolute and universal moral principles or values

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

43. "What kind of world would this be if everyone behaved this way or made this kind of decision in this type of situation?"

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Easy

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44. Focuses on the integrity of the moral actor.

Ans: c
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

45. The_____ approach best known as consequentialist theory is Utilitarianism.

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Medium

46. For example, followers of this approach would rely on Western biblical tradition or moral intuition for guidance.

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Medium

47. A philosophical tradition that began with Aristotle and primarily considers the actor's character, motivations, and intentions.

Ans: c
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Medium

48. Focuses on the results or consequences of the decision or action.

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Medium

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Matching Exercise II

Reference 49-53: Matching Approach and Weakness (each can be used more than once)
a) Deontological approach
b) Teleological approach
c) Virtue ethics approach

49. This approach that stresses community standards is limited in business because in many areas of business there is limited agreement about what the standards are.

Ans: c
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Difficult

50. An individual's principles may be in conflict with what is best and causes the least amount of harm to another individual. For example, an individual who believes that he or she should not lie would be conflicted about telling the Nazi's he or she is hiding Jews in the basement.

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Difficult

51. It is difficult to obtain the information required to evaluate all of the consequences for all indirect and direct stakeholders.

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Difficult

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52. The rights of a minority group can easily be sacrificed for the benefit of the majority (for example, slavery in the United States).

Ans: b
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Difficult

53. A major challenge is deciding which duty, obligation, right, or principle takes precedence.

Ans: a
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Medium

Matching Exercise III

Reference 54-58: Matching Approach and Weakness (each can be used more than once)
a) Step one: gather the facts
b) Step two: define the ethical issues
c) Step three: identify the affected parties (the stakeholders)
d) Step four: identify the consequences
e) Step five: identify the obligations
f) Step six: consider your character and integrity
g) Step seven: think creatively about potential actions
h) Step eight: check your gut

54. We can't always say exactly why we're uncomfortable in a situation, but years of socialization have likely made us sensitive to situations where something just doesn't feel quite right.

Ans: h
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Difficult

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55. _____ Or put another way, "Do your homework!"

Ans: a
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

56. Being able to see the situation through others' eyes is a key moral reasoning skill.

Ans: c
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Difficult

57. In business, it's also extremely important to think about the potential symbolic consequences of an action. Every decision and action sends a message; it stands for something. What message will a particular decision or action send? What will it mean if it is misunderstood?

Ans: d
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

58. In which step you ask yourself what a person of integrity would do in this situation. In attempting to answer this question, you may find it useful to identify the relevant moral community and consider what that community would advise.

Ans: f
Response: See Eight Steps to Sound Ethical Decision Making in Business
Difficulty: Moderate

Essay Questions

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59. Discuss the disclosure rule and the ethical role model rule. When might the disclosure rule be most helpful? When might the role model rule be most helpful?

Ans: When a professional community isn't available, doesn't provide good guidance, or seems wrong, you can turn to the broader community and societal standards for guidance. A useful decision-making shortcut based on the broader community as a guide is known as the disclosure rule. The disclosure rule asks, "How would you feel if your behavior appeared publicly on ——? You fill in the blank. It could be a particular media or social media outlet. Is it the front page of the New York Times, the Wall Street Journal, CNN, your hometown newspaper, your school newspaper, Twitter, Facebook? The assumption behind the disclosure rule is that community standards do exist for most situations, and at a gut level, most of us know what those are. If our gut tells us it wouldn't look good to have our behavior appear in one of these outlets, we simply shouldn't be doing it because it means that if we did, we wouldn't be considered persons of integrity in society's view.

If your goal is to be considered a person of integrity, another useful question to ask yourself is how your harshest moral critic or ethical role model would advise you. Who serves in that role for you? Is it someone in your family or a respected teacher, coach, or spiritual adviser? Identify your strongest ethical role model or harshest moral critic and consider what this individual would think of the behavior you're contemplating. Most of us have people in our lives whose integrity we respect and whose moral judgment of us we value. Many of our students choose family members. If you don't have someone who comes right to mind, see if you can identify an ethical role model. It can be anyone whose integrity you admire. If you know the person, we're sure they would love to know about your choice.

All approaches have limitations. No one of them, by itself, provides perfect guidance in every situation. Obviously, if all of the approaches lead to the same solution, the decision is a relatively easy one. The tough ones arise when the approaches conflict. When that happens, it will be up to you to consider the situation as comprehensively as possible and make the best decision you can based on societal good, your most important values and principles, and considerations of what a person of integrity would do.
Response: See Prescriptive Approaches to Ethical Decision Making in Business
Difficulty: Moderate

60. You are working with an important vendor who has offered you a "sweet" deal. However, the vendor has made it clear that he wants a decision *now* and your internal warning system (i.e. your gut) is telling you that this deal might be an ethical dilemma. Using what you have learned

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from this chapter, briefly describe how you should proceed. Will you answer him now? How will you think about the "dilemma" and respond to the vendor?

Ans: Students should recognize that they should not make potential ethical decisions immediately without time for consideration. Students should include asking for more time to think over the decision as well as possible rules, principles, or approaches to consider (for example, the disclosure rule) before accepting or rejecting the deal.
Response: See Practical Preventive Medicine
Difficulty: Difficult

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