Contemporary Business 18th edition Boone Test Bank

SKU: 9781119498414-TEST-BANK

Package Title: Chapter 2, Testbank
Course Title: Boone, 18
Chapter Number: 2

Question type: Multiple Choice

1) A formal statement that defines how an organization expects and requires employees to resolve ethical questions is a(n) _____.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: i

Difficulty: Medium
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

2) Some companies measure social performance by conducting a(n)_____ that identifies and evaluates the company's activities that relate to social issues.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability

Contemporary Business 18th edition Boone Test Bank

j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: d

Difficulty: Medium
Learning Objective 1: 2.4
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

3) The main federal regulatory agency in setting workplace safety and health standards is the _____.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: b

Difficulty: Medium
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

4) _____ requires publicly traded companies to announce major information to the general public, rather than first disclosing the information to selected investors.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act

d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: k

Difficulty: Medium
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

5) Management's acceptance of the obligation to consider profit, consumer satisfaction, and societal well-being of equal value in evaluating the company's performance is _____.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: e

Difficulty: Medium
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

6) When a publicly traded company is suspected of unethical or illegal behavior, the _____ will conduct an investigation.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: a

Difficulty: Medium
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

7) Inappropriate actions of a sexual nature in the workplace is _____.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: g

Difficulty: Medium
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

8) The standards of conduct and moral values governing actions and decisions in the work environment are _____.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: f

Difficulty: Medium
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

9) A person in the _____ of ethical development is able to move beyond self-interest and take into account the larger needs of society.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage

k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: j

Difficulty: Medium
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

10) A strategy that emphasizes a company's commitment to environmentally friendly products and production is _____.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: m

Difficulty: Medium
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

11) The _____ is a law that protects whistle-blowers who file a lawsuit on behalf of the government if they believe that a company has somehow defrauded the government.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit

e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: c

Difficulty: Medium
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

12) _____ is an employee's disclosure to company officials, government authorities, or the media of illegal, immoral, or unethical practices of his or her employer.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: l

Difficulty: Medium
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

13) _____ refers to the responsibility of manufacturers for injuries and damages caused by their

goods.

a) Securities and Exchange Commission (SEC)
b) Occupational Safety and Health Administration (OSHA)
c) False Claims Act
d) Social audit
e) Social responsibility
f) Business ethics
g) Sexual harassment
h) Code of conduct
i) Product liability
j) Postconventional stage
k) Regulation FD
l) Whistle-blowing
m) green marketing

Answer: i

Difficulty: Medium
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics
Bloomcode: Knowledge

Question type: Essay

14) Define business ethics. Why are they important?

Answer:

Solution: Business ethics are standards of conduct and moral values that govern actions and decisions in the work environment. They are important because a company cannot prosper in the long run without considering ethics. Business ethics are also shaped by the ethical climate within an organization. Codes of conduct and ethical standards play increasingly significant roles in businesses in which doing the right thing is both supported and applauded.
Difficulty: Easy
Bloomcode: Comprehension
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics

15) Briefly describe the three stages of moral and ethical development.

Contemporary Business 18th edition Boone Test Bank

Answer:

Solution: The three stages of moral and ethical development are preconventional, conventional, and postconventional. In the preconventional stage, individuals primarily consider their own needs and desires in making decisions. They obey rules only because they are afraid of the consequences. The next stage is the conventional stage. Individuals are aware of and act in response to their duties to others (family or an organization, for example). Self-interest still plays a role. The final stage is the postconventional stage. In this stage, the individual is able to move beyond self-interest and take the larger needs of society into account as well.
Difficulty: Hard
Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

16) Identify and briefly describe the factors that influence an individual's business ethics.

Answer:

Solution: An individual's business ethics is shaped by a huge number of factors. Experiences help shape responses to different situations. A person's family, educational, cultural, and religious backgrounds also can play a role, as can the environment within the company. Ethical climate of the company also plays a role.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics

17) Describe examples of honesty and integrity violations in the workforce.

Answer:

Solution: Some people misrepresent their academic credentials and previous work experience on their résumés or job applications. Although it may seem tempting to embellish a résumé in a competitive job market, the act shows a lack of honesty and integrity—and eventually it will catch up with those using such methods to boost their resumes. A recent news report details how a college football coach resigned after information on his biography was questioned. Others steal from their employers by taking home supplies or products without permission or by carrying out personal business during the time they are being paid to work. For example, Internet misuse during the work day is increasing. Employees use the Internet for personal shopping, email, gaming, and social networking. This misuse costs U.S. companies an estimated $85 billion annually in lost productivity.
Difficulty: Medium

Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

18) Does loyalty versus truth create an ethical dilemma for a businessperson? Explain.

Answer:

Solution: Businesses expect their employees to be loyal and to act in the best interests of the company. An ethical conflict can arise when an individual must decide between loyalty to the company and truthfulness in business relationships. But when the truth about a company is not favorable, an ethical conflict can arise.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

19) ”State and federal laws protect whistle-blowers.” Do you agree with this statement? Explain.

Answer:

Solution: With the Sarbanes-Oxley Act, an individual can be prosecuted for retaliating against an employee for taking concerns of unlawful conduct to a public official. In addition, private companies must provide procedures for anonymous reporting of accusations. In addition, whistle-blowers can seek protection under the False Claims Act, under which they can file a lawsuit on behalf of the government if they believe that a company has somehow defrauded the government. Charges against health care companies for fraudulent billing for Medicare or Medicaid are examples of this type of lawsuit.
Difficulty: Hard
Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

20) What might a company’s code of conduct include?

Answer:

Solution: At the most basic level, a code of conduct may simply specify ground rules for acceptable behavior, such as identifying the laws and regulations that employees must obey.

Other companies use their codes of conduct to identify key corporate values and provide frameworks that guide employees as they resolve moral and ethical dilemmas.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

21) The development of a corporate culture to support business ethics happens on four levels. Explain each of the four levels.

Answer:

Solution: The four levels of development of a corporate culture to support business ethics are ethical awareness, ethical education, ethical action, and ethical leadership. Ethical awareness is the foundation of an ethical climate. Employees need help in identifying ethical problems and need guidance in how to respond. Ethical education involves ethics training programs to provide employees with the tools they need to evaluate ethical dilemmas and arrive at suitable decisions. Ethical action involves the structures and procedures that companies establish to enable their employees to follow ethical behavior. Companies encourage ethical action by providing support for employees faced with dilemmas, such as an employee hotline. Ethical leadership charges each employee at every level with the responsibility for being an ethical leader. This principle requires that all employees be personally committed to the company's core values and be willing to base their actions on them.
Difficulty: Hard
Bloomcode: Comprehension
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

22) Briefly describe social responsibility.

Answer:

Solution: In a general sense, social responsibility is management's acceptance of the obligation to consider profit, consumer satisfaction, and societal well-being of equal value in evaluating the company's performance. It is the recognition that business must be concerned with the qualitative dimensions of consumer, employee, and societal benefits, as well as the quantitative measures of sales and profits, by which business performance is traditionally measured.
Difficulty: Hard
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

Contemporary Business 18th edition Boone Test Bank

23) What is a social audit? Who conducts it?

Answer:

Solution: A social audit is a formal procedure to identify and evaluate all company activities that relate to social issues such as conservation, employment practices, environmental protection, and philanthropy. The audit informs management about how well the company is performing in these areas. Social audits often are conducted internally by companies.
Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

24) Define green marketing.

Answer:

Solution: Green marketing is a marketing strategy that promotes environmental friendly products and production methods. The Federal Trade Commission (FTC) has issued guidelines for businesses to follow in making environmental claims.
Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

25) What are the objectives of consumerism?

Answer:

Solution: Consumerism refers to the public demand that that a business consider the wants and needs of its customers in making decisions. Consumerism is based on the belief that consumers have certain rights. President Kennedy summarized many of the ideals of consumerism in a speech in which he listed four basic consumer rights: the right to safety, the right to be informed, the right to choose, and the right to be heard.
Difficulty: Hard
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

Contemporary Business 18th edition Boone Test Bank

26) Explain product liability and briefly describe what this means in terms of social responsibility.

Answer:

Solution: Product liability refers to the responsibility of manufacturers for injuries and damages caused by their products. Items that lead to injuries, either directly or indirectly, can have disastrous consequences for their makers. Many companies put their products through rigorous testing to avoid safety problems. Still, testing alone cannot foresee every eventuality. Companies must try to consider all possibilities and provide adequate warning of potential dangers.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

27) Explain how the Food and Drug Administration (FDA) promotes the consumers' right to be informed.

Answer:

Solution: The Food and Drug Administration (FDA), which sets standards for advertising conducted by drug manufacturers, eased restrictions for prescription drug advertising on television. In print ads, drug makers are required to spell out potential side effects and the proper uses of prescription drugs. Because of the requirement to disclose this information, prescription drug television advertising was limited. Now, however, the FDA says drug ads on radio and television can directly promote a prescription drug's benefits if they provide a quick way for consumers to learn about side effects, such as displaying a toll-free number or website.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Diversity

28) Do investors expect a company to act ethically and exhibit social responsibility? Why or why not?

Answer:

Solution: Even though the primary purpose of a company is to make a profit, investors also expect the company to act ethically, as well as legally, and exhibit social responsibility. Investors know that the failure of a company to act ethically, legally, or without a sense of social

responsibility can result in substantial monetary losses to investors. For instance, ethical or legal problems can cause a sudden and substantial drop in a company's stock price.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics

29) Explain, using examples of specific organizations and agencies, how state and federal agencies carry out their responsibilities of protecting investors from financial misdeeds.

Answer:

Solution: At the federal level, the Securities and Exchange Commission (SEC) investigates suspicions of unethical or illegal behavior by publicly traded companies. It investigates accusations that a business is using faulty accounting practices to inaccurately portray its financial resources and profits to investors. Regulation FD (Fair Disclosure) is an SEC rule that requires publicly traded companies to announce major information to the general public, rather than first disclosing the information to selected major investors. The agency also operates an Office of Internet Enforcement to target fraud in online trading and online sales of stock by unlicensed sellers.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics

30) Identify the guidelines established by the Federal Trade Commission (FTC) concerning environmental claims in green marketing.

Answer:

Solution: According to the FTC, if a business says that a product is biodegradable, it must break down and return to nature in a reasonably short period of time. Recyclable products must be entirely reusable as new materials in the manufacture or assembly of a new product or package. Refillable products must be included in a system for the collection and return of the package for refill. If consumers have to find a way to refill it themselves, it is not refillable. Ozone-friendly products must not contain any ozone-depleting ingredient. Compostable products must break down into, or otherwise become a part of, usable compost in a safe and timely manner.
Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4

Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

31) Describe the reasons why Starbucks is ranked number one in the area of corporate responsibility according to Fortune Magazine.

Answer:

Solution: Starbucks is one of the first retailers to offer comprehensive health coverage to part-time employees (and their families) working 20 hours or more per week. The Starbucks College Achievement Plan provides full tuition reimbursement to eligible part- and full-time employees who wish to earn a college degree. In addition, Starbuck's C.A.F.E. practices (Coffee and Farmer Equity) include four key areas: quality, economic accountability and transparency, social responsibility, and environmental leadership. Starbucks also uses ethically sourced coffee beans.
Difficulty: Hard
Bloomcode: Analysis
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

32) ABC Consulting has been hired to help an educational institution in an underprivileged neighborhood raise funds to build fully equipped laboratories for students. Describe the process required for a successful fundraiser.

Answer:

Solution: Fundraising involves researching, identifying, and contacting potential donors; devising fundraising strategies and creating a message that appeals to targeted donors; organizing a campaign to solicit contributions; maintaining records of donor information; training volunteers in fundraising procedures and practices: planning and organizing events, galas, sponsorships, and other fundraisers; and ensuring that all legal reporting requirements are satisfied. It is also necessary to craft letters of solicitation and thanks to donors, as well as to highlight the various types of projects undertaken as a result of donations and grants. Effective communication skills are also crucial to cultivate relationships with prospective donors so that people will make donations on an ongoing basis. Fundraisers evaluate large amounts of data to determine past (and future) giving trends, so being detail oriented matters. Leadership skills are also crucial because fundraisers often manage teams of unpaid volunteers. As nonprofits continue to use social media channels to raise funds, knowledge of digital and social media tools is also important.
Difficulty: Hard
Bloomcode: Analysis
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

33) Has whistle-blowing in the healthcare and pharmaceutical industry benefited customers? Explain your answer.

Answer:

Solution: In the healthcare and pharmaceutical industries, whistle-blower cases have become an essential tool in uncovering fraud. Consumers have benefitted from whistle-blowers who have identified unethical practices such as overcharging for medical devices and mislabeling prescription medications.
Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

34) Why are consumers increasingly seeking out non-GMO foods?

Answer:

Solution: Both consumers and environmentalists fear that plants not damaged when sprayed with weed killer will lead to the development of "superweeds," and ultimately lead to the use of more and more chemical herbicides. This has led to an anti-GMO movement and consumer concerns over environmental damage and the health and safety of using GMOs.
Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

35) Explain how the toy company Hasbro improved its social and environmental performance.

Answer:

Solution: Hasbro has improved its packaging and printing processes while reducing greenhouse emissions and landfill waste. To save 34,000 miles of wire in a single year, Hasbro eliminated the wire ties that typically come with games and toys. To eliminate 800,000 pounds of waste worldwide, the company no longer wraps toy and game instructions in plastic bags. Its board games, puzzles, boxes, and components are manufactured using vegetable-based printing inks and water-based coatings in its printing process. On the topic of human rights, Hasbro employees carefully monitor factory facilities on an ongoing basis both in Massachusetts and in China where its products are made. In addition, employees are given four hours a month of paid time off to volunteer. The company's recent philanthropic efforts include more than $12 million in

grants and toys to various organizations. Hasbro's corporate social responsibility group is charged with advancing the company's social and environmental performance while remaining committed to achievements in several key areas, including product safety, environmental sustainability, and diversity.
Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

Question type: Multiple Choice

36) When management at ABC Manufacturing considers social and economic issues in decision making, the company is practicing _____.

a) gatekeeping
b) consumerism
c) social responsibility
d) altruism

Answer: c

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

37) Businesses have responsibilities to which of these?

a) Investors and customers only
b) Investors, customers, employees, and society
c) Investors, customers, and government
d) Investors only

Answer: b

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics

38) Which of the following statements is correct?

a) Ethical conflicts usually arise in trying to serve the needs of separate constituents.
b) Setting ethical standards is always clear-cut.
c) The ethical values of individual employees have no influence on the decisions and actions a business takes.
d) Setting ethical standards is easy.

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics

39) According to the National Business Ethics Survey, unethical/illegal behaviors by individuals can be which of these?

a) Putting one's own interests ahead of the organization
b) Abuse of company resources
c) Safety violations
d) All of these

Answer: d

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

40) Sam routinely takes or borrows his company goods without his manager's knowledge. This undermines Sam's _____.

a) integrity
b) loyalty
c) truthfulness
d) morals

Answer: a

Difficulty: Easy

Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

41) Riya and her husband Giovanni work full-time jobs and are struggling to manage their time efficiently. They have a five-year-old child and are also responsible for caring for Giovanni's father, who needs to be taken to physical therapy every day. Which of the following do Riya and Giovanni best exemplify?

a) The silent generation
b) The sandwich generation
c) The baby boomer generation
d)Generation X

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

42) Which of the following is an example of workplace discrimination?

a) Nate, a young manager, is passed over for a promotion in favor of John, who has worked with the company for 30 years.
b) Bob is ignored when the manager selects female employees as project leads as the manager prefers that female employees lead teams.
c) Roy has to work more hours a week than Kara, a working mother.
d) Employees who drive electric or hybrid cars in Lee's company get better parking spots than employees who drive other cars.

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

43) ABC Tools, a publicly traded company, did not reveal the performance of its stocks to its individual investors. Under which rule or act can the company be investigated?

a) The Civil Rights Act of 1991
b) The Wheeler-Lea Act
c) The Civil Rights Act of 1964
d) Regulation FD (Fair Disclosure)

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Analytic

44) When Samone has to audit a restaurant owned by her brother-in-law, which of the following ethical challenges does she face?

a) Conflict of interest
b) Loyalty versus truth
c) Breach of trust
d) Honesty and integrity

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

45) Felicity discovers that At Home Pharma, the pharmaceutical company she works for, is marketing a drug that has no effect on the disease it is supposed to treat. What should ideally be her first action?

a) She should resign from her job on ethical grounds.
b) She should report it to the media.
c) She should file a legal suit against the company.
d) She should report it to the company's higher officials.

Answer: d

Difficulty: Medium
Bloomcode: Application

Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

46) Who are responsible for conducting employee training programs that help spot potential fraud and abuse within a company?

a) Department supervisors
b) Ethics compliance officers
c) Human Resource managers
d) Social behaviorists

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

47) Which of the following is NOT a minimum requirement for ethics compliance programs?

a) High-level personnel responsible for compliance
b) Government regulation
c) Consistent enforcement
d) Consistent improvement

Answer: d

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

48) All of the following are n examples of unethical or illegal acts in the workplace EXCEPT:

a) Misreporting time on the job
b) Internet abuse
c) Whistle-blowing
d) Safety violations

Answer: c

Difficulty: Easy
Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

49) Technology has _____ ethical issues.

a) expanded the range of
b) further complicated
c) made little difference on the range of
d) eliminated most

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Technology

50) Which of the following is NOT a factor in determining an individual's ethical development?

a) Experiences
b) Religion
c) Culture
d) Social audit

Answer: d

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

51) Many people rationalize unethical acts at work because they _____.

a) feel pressured on their jobs to meet performance goals
b) know they can always get away with it
c) have no personal or moral values
d) are fundamentally unethical

Answer: a

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

52) Gurdeep decides not to cheat on his exam because he fears he will be caught and receive no credit if he is caught. Gurdeep is in the _____ stage of his ethical development.

a) postconventional
b) preconventional
c) traditional
d) conventional

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

53) Anthony is a reckless driver and always jumps the red light in the absence of any patrol officers, but he refrains from speeding on highways as he is fearful of paying up hefty fines to patrol officers. Anthony is most likely to be in the _____ stage of ethical development.

a) preconventional
b) postconventional
c) conventional
d) unconventional

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

54) Neha has moved beyond her own needs and desires and takes the needs of society into consideration when making decisions. In which stage of ethical development is Neha?

a) Preconventional
b) Conventional
c) Postconventional
d) Traditional

Answer: c

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

55) Individuals who focus only on their own interests when making decisions are at the _____ stage of ethical development.

a) preconventional
b) conventional
c) postconventional
d) unconventional

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

56) Which of these defines the strategic business approach used by companies to evaluate performance by placing equal value on financial, social, and environmental factors?

a) Socioeconomic model
b) Economic model
c) Social audits
d) Triple bottom line

Answer: d

Difficulty: Easy
Bloomcode: Knowledge

Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

57) Alejandro avoids using his office computer for personal use, even though his company does not have a specific policy forbidding it. Alejandro is at the _____ stage of ethical development.

a) preconventional
b) unconventional
c) postconventional
d) conventional

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

58) At Home Pharma, a pharmaceutical company, has developed a drug to manage multiple sclerosis. If the company wishes to uphold the customer's right to choose, which of the following actions should it take?

a) It should sell the drug for a low price.
b) It should mention the drug's side effects on the label.
c) It should set up a forum for customers to lodge complaints about the drug.
d) It should perform stringent pre-clinical trials to ensure the drug's safety.

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

59) If an individual follows personal principles for resolving ethical dilemmas and considers personal, group, and societal interests, he or she is at the _____ stage of ethical development.

a) preconventional
b) conventional
c) postconventional

d) concentrations

Answer: c

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

60) If a company wants to improve its employees' quality of life, which of the following should it do?

a) Provide safety gear to all employees
b) Allow employees to take 12 weeks of leave when sick or injured
c) Increase diversity in its workforce
d) Provide special health insurance plans to its senior employees

Answer: b

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

61) _____ refers to the unwelcome and inappropriate actions of a sexual nature in the workplace?

a) Triple bottom line
b) Whistle blowing
c) Sexual harassment
d) Consumerism

Answer: c

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

62) Fariba does not make personal long-distance phone calls at work because it will cost her employer money. Fariba is in the _____ stage of ethical development.

a) conventional
b) traditional
c) postconventional
d) preconventional

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

63) Fabio makes a point of turning off the lights in his office when he is not using it because it saves his company money and saves energy for the environment. Fabio is in the _____ stage of ethical development.

a) conventional
b) postconventional
c) preconventional
d) traditional

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

64) Camila focuses on her duty to family and work and bases her actions on the expectations of various groups in her life. Camila is in _____ stage of ethical development.

a) postconventional
b) traditional
c) conventional
d) preconventional

Answer: c

Difficulty: Medium

Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

65) Jeffrey Wigand, a former executive of Brown & Williamson who exposed his company's practice of intentionally manipulating the effect of nicotine in cigarettes on the CBS news program *60 Minutes,* had moved beyond self-interest and company duty to which stage of individual ethics?

a) preconventional
b) postconventional
c) unconventional
d) conventional

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

66) Glafira is an investment advisor and wants to recommend a stock she happens to own. How should Glafira best deal with this potential conflict of interest?

a) She should not make the recommendation.
b) She should make a negative recommendation.
c) She should make a positive recommendation and then sell the stock.
d) She should disclose the fact that she owns the stock while making the recommendation.

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

67) Branka is a diabetes educator at a local clinic. Recently, she was offered a lavish trip by a sales representative who has been pushing the clinic to use his company's diabetes supplies. Branka declined the gift. Which ethical challenge did she face?

a) Whistle-blowing
b) Honesty and integrity
c) Culture shock
d) Conflict of interest

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

68) How should a businessperson deal with a conflict of interest?

a) Ignore it
b) Send an email to the superior
c) Disclose it or avoid it
d) Report it only to close friends

Answer: c

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

69) External auditors are examining Benito's company's financial records. Benito knows there may be an error and will tell them about it but only if they ask. They do not ask. In this scenario, Benito's __ ___ is most likely to be questioned.

a) integrity
b) social responsibility
c) truthfulness
d) loyalty

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

70) During a meeting with government regulators, Vivian voluntarily points out a potential problem with a new product her company is testing. Vivian has shown _____.

a) honesty
b) loyalty
c) truthfulness
d) integrity

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

71) Daichi takes responsibility for an error made by his assistant on a project. Daichi has shown _____.

a) loyalty
b) honesty
c) integrity
d) truthfulness

Answer: c

Difficulty: Easy
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

72) Katia is a new employee at Nexus International, an IT company. Soon she learns of the unethical practices done by her superiors and other employees at the company. She immediately informs such instances and behaviors to the upper management and other officials at Nexus. This act by Katia is known as _____.

a) whistle-blowing
b) scaremongering
c) auditing
d) fear mongering

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

73) Embellishing one's résumé shows a lack of _____ and _____.

a) honesty, loyalty
b) honesty, integrity
c) integrity, loyalty
d) competence, loyalty

Answer: b

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

74) Dembe knows of a defect in a product his company sells. He will disclose the defect but only if the customer specifically asks about it. Dembe's _____ could be called into question.

a) altruism
b) integrity
c) loyalty
d) truthfulness

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

75) Kanai learns that her company is secretly dumping untreated waste into the city sewer systems, and she informs the local EPA office. Which of the following does NOT describe Kanai's ethical situation?

a) She is acting as a whistle-blower.
b) She has a conflict of interest.
c) She is showing integrity.
d) She is showing loyalty.

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

76) Veata's supervisor asks her to conceal information from external auditors examining the company's financial records. What is Veata's ethical challenge?

a) Loyalty versus truth
b) Conflict of interest
c) Honesty and integrity
d) No ethical challenge

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

77) Rangsey was a foreman at Hi-Way Construction and discovered his company was deliberately using faulty materials for a project. Although Rangsey was worried about his family's financial security if he lost his job, he went to authorities and informed them of the potentially dangerous construction. Rangsey's action is called _____.

a) ethical compliance
b) whistle-blowing
c) ethical allegations
d) fear mongering

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2

Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

78) Development of a corporate culture to support business ethics occurs on each of the following levels EXCEPT ethical _____.

a) success
b) awareness
c) reasoning
d) leadership

Answer: a

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

79) _____ requires that companies in the private sector provide procedures for anonymous reporting of accusations of fraud.

a) Americans with Disabilities Act
b) Sarbanes-Oxley Act
c) Consumer Rights Act
d) Genetic Information Nondiscrimination Act of 2008

Answer: b

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

80) Macrozine Inc. provides support for employees faced with ethical dilemmas. An ethics compliance officer is available in the Human Resources office or through an employee hotline. This is an example of ethical _____.

a) reasoning
b) awareness
c) whistle-blowing
d) action

Answer: d

Difficulty: Easy
Bloomcode: Application
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Analytic

81) After meeting with employees, Jade realizes she has set performance goals unrealistically high for her department's employees. If she makes employee performance goals more realistic, what will likely happen to the department's ethical climate?

a) It will stay about the same.
b) It will improve.
c) It will create uncertainty among employees.
d) It will deteriorate.

Answer: Missing

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Analytic

82) Ethical _____ changes each employee personally to uphold the company's core values and be willing to base their actions on them.

a) leadership
b) awareness
c) action
d) reasoning

Answer: a

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

83) Jumeriah, the sales manager at Toddler Toys, decides to double each salesperson's monthly quota. What impact is this action likely to have on the company's ethical climate?

a) It will improve.
b) It will remain the same.
c) It will deteriorate.
d) It will generate healthy competition.

Answer: c

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Analytic

84) Jack Welch, former CEO of The General Electric, is respected in business circles for focusing his company on the welfare of its customers and investors and for ensuring that GE would thrive in the long run. This type of environment is an example of ethical _____.

a) action
b) reasoning
c) awareness
d) leadership

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Analytic

85) Which of the following would be LEAST likely to be a factor in evaluating a company's social performance?

a) Providing a safe, healthy workplace
b) Respecting the cultural diversity of employees
c) Holding company-sponsored social events
d) Producing safe, high-quality products

Answer: c

Difficulty: Easy

Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

86) ABC Manufacturing Company removes a profitable product from the market because it may be dangerous. ABC is demonstrating _____.

a) ethical behavior
b) green marketing
c) conflict of interest
d) contango

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

87) Businesses exercise social responsibility for all of the following reasons EXCEPT _____.

a) stakeholders expect it
b) profits are guaranteed
c) the company's image is enhanced
d) management believes it is the ethical course of action

Answer: b

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

88) When Target Inc. donates 5 percent of its federally taxable income to non-profit groups, the company is highlighting its _____.

a) social responsibility
b) code of conduct
c) social audit
d) altruism

Answer: a

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

89) A formal procedure that identifies and evaluates all company activities relating to social issues is known as a(n) _____.

a) ethical profile
b) social audit
c) social inventory
d) mission analysis

Answer: b

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

90) In addition to financial assessments, Dominic has arranged for his company to conduct a(n) _____ to evaluate activities that relate to social issues such as employment practices, environmental protection, and philanthropy.

a) EEOC evaluation
b) code of conduct
c) social audit
d) social responsibility inventory

Answer: c

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

91) The Bristianie Corp. uses a company-wide team of employees to identify company activities related to social issues, report on how the company is responding to those issues, and evaluate how effectively the company has met those issues. The Bristianie team is conducting a(n) _____.

a) environmental impact audit
b) government-mandated audit
c) internal accounting audit
d) social audit

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

92) The _____ of Green Mountain, a coffee-growing company, usually include its employees, customers, suppliers, and the community members where the company is located.

a) social responsibility
b) corporate philanthropy
c) social audit
d) stakeholders

Answer: d

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Analytic

93) Which of these describes reprocessing used materials so that they can be reused?

a) Rotation
b) Reinvigoration
c) Recycling
d) Ecology

Answer: c

Difficulty: Medium
Bloomcode: Knowledge

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Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

94) A strategy that promotes environmentally friendly products and production methods is called _____.

a) consumerism
b) recycling
c) ethical awareness
d) green marketing

Answer: d

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

95) Timbonei Inc. allows its employees to take paid six-month sabbatical leaves to work for non-profit organizations. This is an example of _____.

a) corporate philanthropy
b) green marketing
c) whistle-blowing
d) consumerism

Answer: a

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

96) Which of the following is NOT an example of corporate philanthropy?

a) Supporting the local public radio station
b) Sponsoring a Red Cross blood drive
c) Paying local property taxes
d) Giving employees release time to participate in volunteer activities

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Answer: c

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

97) Roderick works in an organization that manufactures goods that is in compliance with the standards set by the Federal Trade Commission. All of its products have little or no ill effect on the environment and hence has earned itself a nice reputation in the industry. The company's marketing strategy is therefore developed on its reliance on safer and cleaner uses of resources. The company is practicing _____ marketing.

a) green
b) guerrilla
c) loyalty
d) freebie

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

98) During the Olympics, several Nike ads were aired that demonstrated the company's sponsorship of various events. Nike was using _____ to align their marketing efforts with charitable giving.

a) cybersquatting
b) cause-related marketing
c) social responsibility
d) ethical awareness

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

99) The public demand that businesses give proper consideration to consumer wants and needs in making its decisions is known as _____.

a) conservation
b) political activism
c) ethics
d) consumerism

Answer: d

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

100) Consumer Rights include all of the following EXCEPT the right to _____.

a) boycott
b) choose
c) be heard
d) be informed

Answer: a

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

101) Owing to the vast devastation caused by a hurricane in Gyvenopolis, Pandaal Inc., a food company, decided to supply its 1000 cartons of food products for free to the affected region. This is an example of _____.

a) corporate philanthropy
b) cross-selling
c) upselling
d) corporate disinvestment

Answer: a

Difficulty: Medium

Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

102) According to _____ standards, when a drug company purchases a television ad, the company is required to describe potential side effects of the drug, or at least provide a phone number or Web site address for additional information.

a) Occupational Safety and Health Administration (OSHA)
b) Food and Drug Administration (FDA)
c) Consumer Compliance
d) Securities and Exchange Commission (SEC)

Answer: b

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

103) Which federal agency is responsible for ensuring the safety of prescription drugs?

a) FDA
b) FTC
c) SEC
d) FCC

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

104) The doctrine of "the right to be heard" would be best reflected by _____.

a) product safety
b) disclosure of true annual interest rates on revolving charge accounts
c) disclosure of sodium content on labels of processed foods
d) a company establishing a consumer appeals board

Answer: d

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

105) Which federal agency is responsible for setting workplace health and safety standards?

a) FCC
b) FDA
c) FTC
d) OSHA

Answer: d

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

106) All of the following are current social issues related to business's responsibilities to employees EXCEPT _____.

a) sexual harassment
b) discrimination against workers over 40 years of age
c) discrimination against workers under 40 years of age
d) quality of life issues

Answer: c

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

107) Matt was diagnosed with a serious illness that requires aggressive treatment. Because his company employs 50 or more people, it must allow Matt up to 12 weeks unpaid time off in one year, as granted by the _____.

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a) Family and Medical Leave Act
b) Equal Employment Opportunity Commission
c) Occupational Safety and Health Administration
d) Vocational Rehabilitation Act

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

108) Jennifer, an employee at a leading IT company, is subjected to sexual harassment on a regular basis. She also learns that there are other such cases in the company, and that very few people have reported them to the appropriate authority. Which of the following laws will best protect employees from such harassment?

a) Civil Rights Act of 1991
b) Americans with Disabilities Act of 1990
c) Equal Pay Act of 1963
d) Vocational Rehabilitation Act of 1973

Answer: a

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

109) Jose's boss has offered him a raise if Jose agrees to spend the night with her. This is an example of _____.

a) red tape
b) sexual harassment
c) nepotism
d) whistle-blowing

Answer: b

Difficulty: Medium
Bloomcode: Application

Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

110) On average, women with a college degree earn less money than men with a college degree. This is an example of _____.

a) social responsibility
b) nepotism
c) sexism
d) whistle-blowing

Answer: c

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Diversity

111) At the federal level, the _____ investigates suspicions of unethical or illegal behavior by publicly traded companies.

a) SEC
b) EEOC
c) FDA
d) OSHA

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics

112) Age Discrimination in Employment Act of 1967 prohibits discrimination in employment against anyone age _____ in hiring, promotion, compensation, training, or dismissal.

a) 20 or under
b) 21 to 30 years old
c) 40 or older

d) 31 to 39 years old

Answer: c

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

113) Which of these best describe a biased treatment of a job candidate or employee?

a) Discrimination
b) Consumerism
c) Triple bottom line
d) Social audits

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

114) Which of the following was created to increase job opportunities for women and minorities and to help end discrimination based on race, color, religion, disability, gender, or national origin in any employment practice?

a) The EEOC
b) The FDA
c) The ADEA
d) The FTC

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

115) _____ refers to situation in which an employee must choose between a business's welfare and personal gain.

a) Integrity
b) Conflict of interest
c) Truthfulness
d) Morals

Answer: b

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

116) _____ refers to adhering to deeply felt ethical principles in business situations.

a) Integrity
b) Conflict of interest
c) Truthfulness
d) Morals

Answer: a

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

117) _____ is a formal statement that defines how the organization expects employees to resolve ethical questions.

a) A mission statement
b) A vision statement
c) Green marketing
d) A code of conduct

Answer: d

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3

Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

118) _____ is management's acceptance of the obligation to consider profit, consumer satisfaction, and societal well-being of equal value in evaluating performance.

a) Social responsibility
b) Code of conduct
c) Social audit
d) Altruism

Answer: a

Difficulty: Medium
Bloomcode: Comprehension
Learning Objective 1: 2.4
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

119) Under which of these, the belief is that business, as part of its role, owes its existence to improving the society in which it operates?

a) The socioeconomic model
b) The social audit
c) The social inventory
d) The economic model

Answer: b

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

120) Which of these holds the belief that businesses sole role is to maximize profits and increase value to shareholders—and that society will further benefit when business is left alone to produce and market profitable products needed by society?

a) The socioeconomic model
b) The social audit
c) The social inventory
d) The economic model

Answer: d

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

Question type: True/False

121) Yogini discovered unlawful conduct at her company and notified authorities. Under the Sarbanes-Oxley Act of 2002, anyone who retaliates against Yogini can be prosecuted.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

122) “What is profitable” is the first and foremost consideration of ethical corporations.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics

123) Today, codes of conduct are playing an increasingly important role in business ethics.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.1
Section Reference 1: Explain the concern for ethical and societal issues.
Standard 1: AACSB || Ethics

124) The Sarbanes-Oxley Act aims to punish corporate fraud and corruption.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

125) Individual employees have a major influence over ethical expectations and behavior.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

126) The U.S. Sentencing Commission was created to protect employees who claim that they were unaware of ethical violations that they were accused of committing.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

127) Some employees rationalize questionable or unethical behavior by saying, “Everyone does it.”

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

128) An employee's disclosure to the media or government authorities of illegal, immoral, or unethical practices of the organization refers to the term preconventional behavior.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

129) Samira refrains from "padding" her expense account because it will hurt the company. Samira is at the preconventional stage of moral and ethical development.

Answer: False

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

130) Batzorig is a lawyer whose work habits help his company, as well as society in general. Batzorig is at the postconventional stage of moral and ethical development.

Answer: True

Difficulty: Medium
Bloomcode: Application
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Analytic

131) On-the-job ethical dilemmas are common.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

132) An advertising agency representing two companies that compete with one another has an obvious conflict of interest.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

133) A decision for an individual in which an action will harm one individual or group while benefiting another describes a conflict of interest.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

134) Developing a close personal relationship with a client or supplier is only a conflict of interest if others find out about the relationship.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

135) The only safe way to handle a potential conflict of interest is to avoid situations in which one might occur.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2

Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

136) Loyalty refers to adhering to deeply felt ethical principles in business situations.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

137) Employers expect employees to generally act in the best interests of the organization.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

138) In the business world, loyalty and truthfulness often conflict with one another.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

139) Every business person places the highest value only on loyalty, even at the expense of truth.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

140) An employee who “goes public” with the evidence of improper actions by his or her employer is known as a whistle-blower.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

141) With the cooperation of higher-level managers, whistle-blowing can be effective.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

142) Under the Sarbanes-Oxley Act of 2002, anyone who retaliates against an employee for taking concerns of unlawful conduct to a public official can be prosecuted.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2
Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

143) Some people resort to whistle-blowing because they believe the unethical behavior is causing significant damage that outweighs the risk that the company will retaliate against the whistle-blower.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.2

Section Reference 1: Describe the contemporary ethical environment.
Standard 1: AACSB || Ethics

144) A code of conduct is an informal statement that defines how the organization expects employees to resolve ethical questions.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

145) The best way to describe a code of conduct is a formal document that must be printed.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

146) If companies provide a code of conduct and ethical training, there is no need to hire a compliance officer or to provide an anonymous employee hotline to report unethical behavior they have witnessed.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

147) Formally stating that employees must not discriminate on the basis of race, gender, or age in their dealings with customers is something that could be found in a company code of conduct.

Answer: True

Difficulty: Easy

Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Diversity

148) An example of something that might be found in a company's code of conduct is "maintaining an atmosphere of cultural integrity."

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

149) A code of conduct is part of the ethical awareness stage of ethical development.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

150) Starbucks' efforts to go green with recyclable cups is an example of social responsibility.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

151) A manager who doubles employee performance goals every quarter most likely will see an increase in the number of ethically questionable actions by employees.

Answer: True

Difficulty: Medium

Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

152) Some companies issue a code of conduct or statement of values in the form of a small card that employees and managers can carry with them.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

153) Social responsibility, in a general sense, is management's acceptance of the obligation to consider profit, consumer satisfaction, and societal well-being of equal value in evaluating the company's performance.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

154) For any company, the primary social responsibility is to its customers

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

155) Corporations often neglect to consider that electronic products are extremely recyclable.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.3
Section Reference 1: Discuss how organizations shape ethical conduct.
Standard 1: AACSB || Ethics

156) Social audits measure the level of volunteer work conducted in communities.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

157) Social audits conducted internally are of no value because they are always biased in favor of the company.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

158) To demonstrate their social responsibility, many corporations highlight charitable contributions and community service in their annual reports and on their websites.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

159) Informal business surveys that report customer satisfaction with a company's products are called social audits.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

160) Corporate philanthropy is the belief that businesses should put the needs of society over the needs of managers and employees.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

161) An example of a social responsibility revolving around public health is helping employees stop smoking.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

162) Historically, a company's social performance has been measured by its contribution to the overall economy and the employment opportunities it provides.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

163) A "green" product that claims to be environmentally friendly must be substantiated in accordance with guidelines presented by the Federal Trade Commission.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

164) In developed countries, most job positions prefer to hire applicants with college degrees.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

165) Paying corporate taxes is an example of corporate philanthropy.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

166) Consumerism is the public demand that a business consider the wants and needs of its customers in making decisions.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

167) Employers have a responsibility to their employees to provide a safe working environment.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

168) The Occupational Safety and Health Administration (OSHA) sets standards for workplace safety and investigates workplace accidents.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Analytic

169) Unfortunately, the Equal Employment Opportunity Commission is beginning to focus on individual situations rather than systemic discrimination.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Diversity

170) There are more male victims of sexual harassment than females.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

171) Sexual harassment is divided into two categories: pressure to comply with unwelcome advances for job security and a hostile work environment.

Answer: True

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

172) Publicly traded companies, under the Security and Exchange Commission (SEC), are required to announce major information to the general public, rather than first disclosing the information to selected major investors.

Answer: True

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.4
Section Reference 1: Describe how businesses can act responsibly to satisfy society.
Standard 1: AACSB || Ethics

173) Sexism is a form of sex discrimination that violates the Civil Rights Act of 1964, which gives both men and women the right to file lawsuits for intentional sexual harassment.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics

174) The principal federal agency responsible for protecting investors from financial misdeeds is the Federal Trade Commission.

Answer: False

Difficulty: Easy
Bloomcode: Knowledge
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.

Standard 1: AACSB || Ethics

175) According to research, ethical standards are not proven to affect a company's stock prices.

Answer: False

Difficulty: Medium
Bloomcode: Knowledge
Learning Objective 1: 2.5
Section Reference 1: Explain the ethical responsibilities of businesses to investors and the financial community.
Standard 1: AACSB || Ethics