ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

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Chapter 02
Ethics First…Then Customer Relationships

True / False Questions

1. The notion of corporate social responsibility is easy to understand.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-01 Management's Social Responsibilities

2. Companies must be able to fulfill their economic responsibilities before focusing on their discretionary responsibilities.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

3. Companies are only responsible for making profit to keep their businesses in operation.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

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4. Stakeholder is a term used to describe groups inside the organization who have a stake in its performance, while stockholder is a term used to describe groups outside the firm who have an interest in its performance.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-02 Organizational Stakeholders

5. Businesses wanting to generate profits and the notion of serving society are not mutually exclusive.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

6. According to the text, over the next ten years, rising global unemployment will cause society to reduce its expectations for corporations to act with social responsibility.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

7. The textbook explicitly suggest organizations should wait for issues to surface from a social responsibility perspective before acting.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

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8. Social responsibility is defined as business' obligation to maximize its negative impact and minimize its positive impact on society.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-01 Management's Social Responsibilities

9. Legal and ethical responsibilities are synonymous.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

10. Simply put, ethical behaviour refers to treating others fairly.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

11. Company ABC ltd has an outstanding loan with a large Canadian Bank. Based on this scenario, the Canadian Bank is one of ABC's stakeholders.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-02 Organizational Stakeholders

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12. Constituents of a village are protesting for Company YYZ to stop its plant production at night time because a majority of the people living nearby are unable to sleep due to high levels of noise. In this scenario, Company YYZ has a social responsibility to comply with the request of the constituents.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-04 How to Demonstrate Social Responsibility

13. Jordan is constantly ranked among the top three salespersons at the retail electronic store where he works. However, he is also ranked highest in returns. Upon investigating, his manager finds out that Jordan exaggerates performance of low-end products in order to push the sales of high-end products. In this case, Jordan is involved in an ethical misconduct.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-05 Describe management's role in addressing ethical responsibilities.
Topic: 02-08 Management's Ethical Responsibilities

14. In Canada, the *Charter of Rights and Freedoms* consists of rules for private organizations on how they can collect, use, or disclose personal information.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

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15. Candace is a commission salesperson for a college textbook publisher. Her territory is Nova Scotia. Management at Candace's firm has decided to increase the number of territories in the province. Candace should be excited about the opportunity this presents for her to earn more money.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-12 Decisions Affecting Territory

16. A sales person at the conventional moral development level will often ask himself/herself the following question: "What am I legally required to do?"
TRUE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

17. Only 10 to 20% of people behave at the conventional level.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

18. If a salesperson has a drug or alcohol problem that is bad enough to require professional help, the appropriate action of the sales manager is to remove the individual from his or her territory.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-14 The Ill Salesperson

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19. Giving an expensive gift to a client who might be considering your sales proposal to influence her decision is considered unethical behaviour.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-05 Describe management's role in addressing ethical responsibilities.
Topic: 02-08 Management's Ethical Responsibilities

20. According to the textbook, if the activity is not illegal, then it must be ethical.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-05 Describe management's role in addressing ethical responsibilities.
Topic: 02-08 Management's Ethical Responsibilities

21. Sales managers only have ethical responsibilities to their sales personnel.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-10 Ethics in Dealing with Salespeople

22. Mark is a salesperson at a company which is a member of the Direct Sellers Association. Based on this fact, it is uncertain that any product claims provided by Mark will be based on actual facts.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-23 Self-Regulation

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23. Although discrimination on the basis of a person's sex is illegal, there are no laws against sexual harassment.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

24. Canada's human rights legislation prohibits the denial of employment on the basis of marital status.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

25. Employees will on occasion misuse company assets. The best strategy to deal with this issue is to apply strong punitive consequences after the misuse happens.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-17 Misusing Company Assets

26. In order to motivate a buyer John, a sales representative, knowingly embellished the actual performance of his product. Because of the notion of "buyer be aware," the buyer has no legal recourse when the product fails to meet John's embellished statements.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

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27. It is easy to distinguish between a gift and a bribe.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-24 Bribes

28. According to the textbook, bribes and kickbacks account for only 10% of the white-collared crimes in North America.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-24 Bribes

29. A salesperson who exaggerates about product capabilities may be guilty of misrepresentation.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

30. The majority of transactions in which a Canadian sales representative participates fall within the scope of the Sale of Goods Act.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-26 What the Law Says

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31. Under the *Sale of Goods Act*, the buyer can refuse the goods if the goods were delivered on time.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-26 What the Law Says

32. Mutual fund representatives try to maximize the returns on their clients' portfolios, so they can earn more commission. However, they may also be on a lookout for making trades, which will earn them the most commission even if it might not be best solution for their clients. This is an example of a conflict of interest.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-26 What the Law Says

33. Peter writes a weekly newsletter profiling Canadians in industry. Last week, Peter wrote a column in which he claimed Mary Jones lied on her employment application. At a later date, it was determined that the information Mary provided in her application was factual. Peter has committed an act of slander; hence, may be exposed to legal action by Mary.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-26 What the Law Says

34. In Canada, in price discriminatory cases, the buyer cannot be held liable along with the seller.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-27 Price Discrimination

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35. In Canada, banks are not entitled to engage in coercive tied selling.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-27 Price Discrimination

36. Anti-competitive tying occurs when a company allows its suppliers to take advantage of the economies of scale.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-28 Tied Selling or Tie-in Sales

37. In order to intervene in a pro-competition tying, the law must be able to determine if the consumers were paying high prices, getting less variety, or both.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-28 Tied Selling or Tie-in Sales

38. Hamilton Plastics Company requires anyone who wants to use its product to purchase only from it. This contractual arrangement is called an exclusive dealership and if it lessens competition it is illegal under the Competition Act.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-29 Exclusive Dealing

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39. Company A will sign the deal with Company B if Company B also agrees to purchase Company A's product. This is known as exclusive dealing.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-30 Reciprocity

40. According to the textbook, 90% of the colleges' and universities' business programs in Canada have at least one course in ethics in their curriculum.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-33 Business Ethics

41. Code of Conduct documents are almost always written by individuals holding the position of ethical ombudsman.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-38 Create Ethical Structures

42. Setting up a hotline to get your employees to report any unethical behaviours of their peers is an example of whistleblowing encouragement.
TRUE

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-39 Encourage Whistle-Blowing

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43. Operating an ethical organization requires simply that organizations provide employees with the required training on the broad topics associated with ethical business practices.
FALSE

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-40 Establish Control Systems

Multiple Choice Questions

44. According to the textbook, which of the following would best fit the definition of a socially responsible business?
A. has managers who make choices and take actions that will contribute to the welfare of society as well as to those of the organization
B. serves its customers in a profitable and lawful manner
C. serves its customers and employees in an ethical and lawful manner
D. encourages managers to monitor the off-duty behaviour of employees
E. pursues profits only as a short run objective

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-01 Management's Social Responsibilities

45. Which of the following terms describe any group that has an indirect or direct interest in a particular business?
A. investors
B. stakeholder
C. proxy group
D. legal representative
E. input provider

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-02 Organizational Stakeholders

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46. Which of the following groups are not part of the eight major stakeholders of an organization represented by the acronym CCC GOMES?
A. Customers
B. Suppliers
C. Competitors
D. Communities
E. All of these are stakeholders

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-02 Organizational Stakeholders

47. The textbook identifies several main areas of responsibility organizations have to the various groups who have an interest in its activities. Which of the following is NOT one of those areas of responsibility?
A. economic
B. discretionary
C. ethical
D. legal
E. technical

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

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48. Mary is a manager of a small Vancouver based manufacturing company. She manages a business that respects the rights and interests of her workers by being fair and impartial in her decision making process. Which of the following terms best describes Mary's approach to management?
A. approachable
B. ethical
C. goal oriented
D. following "the letter of the law"
E. amoral

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-05 Describe management's role in addressing ethical responsibilities.
Topic: 02-08 Management's Ethical Responsibilities

49. In an earthquake-ravaged city, Millennials Hotel is providing free accommodation to 50 people per night for the next two weeks. This is an example of what kind of company responsibility?
A. Discretionary responsibility
B. Ethical responsibility
C. Legal responsibility
D. Economic responsibility
E. Moral responsibility

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

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50. Which of the following statements about an organization's social responsibilities is true?
A. A business has no economic responsibility to stay in business and make a profit.
B. Discretionary responsibilities are involuntary.
C. Local town councils, provincial government, and federal regulatory agencies impose ethical responsibilities.
D. Legal responsibility defines what society deems as important with respect to appropriate corporate behaviour.
E. Discretionary responsibility is the lowest criterion of social responsibility.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

51. A Toronto based Credit Union decides to donate 10% of its pre-tax earnings to a local not-for-profit organization that restores inner city parks. Which of the following terms embodies the Credit Union's social responsibility commitment?
A. self-disciplined
B. discriminatory
C. proxy mandate
D. discretionary
E. derived

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-04 How to Demonstrate Social Responsibility

52. Which of the following would be classified as the highest criterion of social responsibility?
A. self-disciplined
B. environmental
C. designated
D. discretionary
E. moral

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

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53. You have been asked by your management team to put together a list of activities an organization could undertake to demonstrate its commitment to social responsibility. Which of the following choice(s) would be appropriate to include in your list?
A. strive to make profits on an ongoing basis
B. admit mistakes
C. take public stands on social issues
D. monitor the social environment
E. All of the following choices are correct

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-04 How to Demonstrate Social Responsibility

54. Which of the following actions can a corporation do to demonstrate social responsibility?
A. Avoid taking corrective action before it is required.
B. Evade taking public stands on social issues.
C. Strive to make profits on an ongoing basis.
D. Avoid publicity concerning any socially damaging mistakes.
E. None of these actions demonstrates social responsibility.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-04 How to Demonstrate Social Responsibility

55. Which of the following actions does not demonstrate corporate social responsibility?
A. Engaging in activities which resolve environmental issues.
B. Acting retroactively to solve problems after receiving public condemnation.
C. Developing and implementing a code of conduct.
D. Following industry-wide standards and imposing self-regulation within the organization.
E. Taking part in appropriate social programs.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-04 How to Demonstrate Social Responsibility

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56. Two major influences on the ethical behaviour of sales personnel are:
A. the organization's employees and the culture of the organization
B. the organization's production and finance departments
C. internal and external organizational environments
D. national and international policies
E. the organization's customers and stockholders

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-05 What Influences Ethical Behaviour?

57. The notion that "no two people are alike" simply means that everyone has a different view of things. This is known as:
A. Planet view
B. Earth view
C. Opposite view
D. Alike view
E. World view

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

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58. Dennis works as a sales representative for a tractor manufacture. The particular line of tractors he sells is of high quality; however, it has an expensive service schedule that increases operating costs. Dennis's employer insists that all sales include a signed agreement from the customer acknowledging that the sales person has provided this information to the customer. Dennis follows this sales process only because if he does not, he will be fired. Which of the following moral development levels best describes Dennis?
A. principled
B. consensual
C. conventional
D. discretionary
E. preconventional

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

59. Alison considers herself a responsible person. She upholds moral and legal laws and conforms to the expectations of others. Alison is functioning at what level of moral development?
A. consensual
B. principled
C. conventional
D. discretionary
E. preconventional

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

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60. "I don't care what the boss said. It's wrong and I'm not going to do it. If I get fired, then that's just the way it will have to be." The salesperson who just made this statement to a co-worker is apparently working at what level of moral development?
A. non-discriminatory
B. principled
C. conventional
D. consensual
E. preconventional

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

61. Most salespeople operate at what level of moral development?
A. consensual
B. principled
C. conventional
D. discretionary
E. responsive

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

62. Which of the following statements/questions would a person following the "Core Principles" say/ask?
A. "taking corrective action when required by law"
B. "avoiding public stands on social issues"
C. "what is the right thing to do?"
D. "what are the minimum requirements of the contract?"
E. "when in Rome, do as the Romans do"

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

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63. Amanda, who majored in English education, has just been hired for a sales position with a large consumer products company that expects its salespeople to exhibit ethical behaviour. Amanda has asked you what ethical behaviour is. Which of the following would you include in your answer to Amanda?
A. being loyal to your employer
B. being honest
C. following the rules
D. giving 100 percent effort to your work
E. all of the choices are correct

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

64. According to the text, if there are no official policies or procedures in place to handle ethical dilemmas, what should a salesperson faced with an ethical dilemma do?
A. Apply the see-no-evil policy.
B. Apple the hear-no-evil policy.
C. Apply the speak-no-evil policy.
D. None of the these.
E. All of these.

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-07 The Organization's Role

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65. Which of the following statements about ethical dilemmas is true?
A. Ethical dilemmas occur because many ethical standards are not codified.
B. Friends are never the cause of an ethical dilemma.
C. Cultural differences between different parts of the world are never the source of ethical dilemmas.
D. Ethical dilemmas do not occur when right and wrong cannot be clearly identified.
E. Ethical dilemmas do not occur when a person must choose among alternative choices or behaviours--all of which have unethical elements.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-05 Describe management's role in addressing ethical responsibilities.
Topic: 02-09 What Is an Ethical Dilemma?

66. According to the text, which of the following is NOT an example of ethical considerations faced by a sales manager?
A. level of sales pressure to place on a salesperson
B. whether to be honest with a salesperson
C. the salesperson's relationship with his or her spouse
D. employees' rights
E. decisions concerning a salesperson's territory

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-10 Ethics in Dealing with Salespeople

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67. Brett is a commission salesperson whose territory for the last three years has been the entire province of Alberta. Through hard work he has greatly increased his company's business in the province. Now her manager has decided to split the state into two territories. Brett can expect:
A. to be given several new "key accounts" to sell to
B. an increase in his earnings
C. a decrease in his earnings
D. to keep all the customers he had before this management decision
E. to be fired for his poor past performance

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-12 Decisions Affecting Territory

68. John worked his assigned territory building up an impressive portfolio of wholesale customers. Last year, his company decided to restructure and changed assigned sales territories. In this process, some of John's accounts were reclassified as "house accounts." Which of the following statements best describes the term "house account"?
A. mall account that a salesperson typically handles by telephone from his or her home
B. wholesale account located in the same city as the salesperson's place of residence
C. term used to describe accounts for items that are straight-rebuy
D. wholesale account that the salesperson asks the sales manager to remove from his or her territory, usually because of its low volume
E. large account handled by someone from the home office or a key account salesperson

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-12 Decisions Affecting Territory

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69. Which of the following is NOT identified in the textbook as an example of an organization practicing corporate social responsibility?
A. helping establish industry wide standards of conduct
B. making the environment a top priority
C. creating and leveraging an internal code of conduct
D. taking positions of social issues
E. having little or no concern for the organization's financial position

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-04 How to Demonstrate Social Responsibility

70. The text identifies several benefits associated with organizations that undertake a proactive approach towards creating an employment environment that is discrimination free. Which of the following are benefits employers may receive if a discrimination free environment is supported by senior management?
A. an image as a good employer
B. reduced legal fees
C. high quality work environment
D. lower turnover
E. all of the choices are correct

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

71. "Caveat Emptor" is a term commonly used in the personal sales world. The term is usually associated with which level of organizational responsibilities?
A. Economic Responsibility.
B. Legal Responsibility.
C. Ethical Responsibility.
D. Discretionary Responsibility.
E. Social Responsibility.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-05 Describe management's role in addressing ethical responsibilities.
Topic: 02-08 Management's Ethical Responsibilities

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72. Which of the following is not one of the five ethical considerations faced by a sales manager?
A. The level of sales pressure placed on a salesperson.
B. Decisions concerning a salesperson's territory.
C. Being honest with the salesperson.
D. What to do with newly hired personnel.
E. Employee rights.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-10 Ethics in Dealing with Salespeople

73. Enda has been an extraordinary salesperson at his company for 15 years. However, for last three weeks he has gotten into a bad habit of coming to work hungover. The company does not want to let go of Enda because he has been a valuable asset for them. Which of the following options is the best possible solution to this issue for both the company and Enda?
A. The company should fire him immediately as there is no other alternative solution to this.
B. The company can give Enda time-off to think things over.
C. The company should offer its EAP options to Enda.
D. The company should do nothing and let Enda come to work as it is.
E. The company should transfer Enda to another department.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-14 The Ill Salesperson

74. Which of the following is not a principle of PIPEDA?
A. Accountability.
B. Challenging compliance.
C. Individual access.
D. Unlimited data collection.
E. Safeguards.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

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75. In Canada, the definition of discrimination has most recently been extended to include:
A. Marital status.
B. Sexual orientation.
C. Language.
D. Physical or mental disability.
E. Sexual harassment.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

76. Based on the rule "if you don't want your mother or boss to see it, then don't write about it on social media", which of the following scenarios will not get a salesperson in trouble?
A. Salesperson lands a big account and posts about it on his Twitter account.
B. Salesperson avoids critically discussing the competition on LinkedIn.
C. Salesperson is posting personal pictures on the business Facebook account.
D. Salesperson is complaining about his boss on his Instagram account.
E. These could all get the salesperson in trouble.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

77. Which of the following would be an example of a salesperson who is moonlighting unethically?
A. a computer software salesperson taking a weekend MBA program
B. a restaurant equipment salesperson who tries to sell vacation real estate to some of his or her present customers
C. a pharmaceutical salesperson who sells antiques on the Internet
D. a fire equipment salesperson who demonstrates her equipment to prospects by setting real fires
E. a retail sales clerk who tells his wife when store sales are scheduled before they are announced to the public

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-18 Moonlighting

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

78. Kiely Hall is a salesperson who is enrolled in a night MBA program. From time to time, he takes off most of the day before his night class meets in order to prepare assignments that are due that evening without receiving permission from his employer. Which of the following terms best describes Kiely's actions?
A. guilty of misrepresentation
B. misusing company assets
C. cheating
D. moonlighting
E. acting quite ethically

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-18 Moonlighting

79. Sharon is finishing up her third sales call with a big client. She is close to signing the deal with this company when she realizes that it's Friday September 28 and there is a big sales contest which starts on Monday October 1. The sales contest will award a bonus of $5,000 to the top salesperson for the month of October. After remembering the sales contest, Sharon somehow stalls the signature for the coming Monday. Which of the following unethical practices is Sharon involved in?
A. Moonlighting.
B. Misusing company's assets.
C. Technology theft.
D. Affecting other salespeople.
E. Cheating.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-19 Cheating

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

80. Sofia has recently quit her job and she has been asked to return all of the company's belongings, including their laptop. Before returning the laptop, Sofia decides to copy off all of the customer database, so she can use it for her new position at another firm. Sofia has been involved in which of the following unethical practices:
A. Moonlighting.
B. Misusing company's assets.
C. Cheating.
D. Technology theft.
E. Affecting other salespeople.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-21 Technology Theft

81. Sam is a medical sales representative and he is out on the road across the province of British Columbia doing sales calls. Sam has recently started providing Uber rides in between his sales calls to earn some extra cash on the side. Sam is involved in which of the following unethical practices:
A. Moonlighting.
B. Misusing company's assets.
C. Cheating.
D. Technology theft.
E. Affecting other salespeople.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-18 Moonlighting

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

82. Arthur is a Sales Director at a technology firm. He has been provided with a company's credit card, so he can expense out his business meetings on it. However, he has been using this card to expense his family lunches once or twice a month and disguises it as a business meeting. In this case, Arthur is involved in:
A. Moonlighting.
B. Misusing company's assets.
C. Cheating.
D. Technology theft.
E. Affecting other salespersons.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-17 Misusing Company Assets

83. Rachel works on a commission-based pay structure at a retail store. She was expecting a potential client to show up yesterday, but he did not. Rachel then calls her client and she finds out that someone else from her store signed him up already. In this case, Rachel's commission was taken. Rachel's co-worker was involved in what type of unethical practice?
A. Moonlighting.
B. Misusing company's assets.
C. Cheating.
D. Technology theft.
E. Affecting other salespersons.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-20 Affecting Other Salespeople

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

84. Which of the following is not a Government of Canada's stated value for the government employees dealing within the public sector?
A. Respect for people.
B. Integrity.
C. Stewardship.
D. Respect for teamwork.
E. Respect for democracy.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-22 Ethics in Dealing with Customers

85. Which of the following statements about bribery is true?
A. At times, there is a thin line between good business and misusing a bribe or gift.
B. Commission salespeople cannot be placed in a position where they might be tempted to pay a bribe.
C. The difference between a business gift and a bribe is quite clear.
D. Most companies allow their buyers to take small gifts (less than $20) from salespeople.
E. Bribes always involve money.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-24 Bribes

86. According to the textbook, which of the following internal policies are likely to reduce the level of judgment needed to operate within acceptable gift receiving framework on the part of buyers?
A. prohibit their buyers from receiving any gifts from salespeople.
B. lavish gifts to from salespeople are not allowed.
C. accept the gift only if the offer was initiated by the salesperson.
D. gifts with values below $250.00 are almost always allowed.
E. accept the gift if it makes the salesperson happy.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-24 Bribes

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

87. Which of the following statements, if false and made by a salesperson to an individual who bought the product(s) being sold, would be most likely to have legal consequences?
A. "You're going to love this new mattress!"
B. "We are the metropolitan area's low price leader."
C. "We offer a 100 percent order-fill rate. You'll never experience a back-order."
D. "Our employees have extensive training in how to pamper our customers."
E. "Your own mother can't care for you as well as our staff!"

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

88. Which of the following statements about misrepresentation is true?
A. When salespeople loosely describe their product or service in glowing terms, those statements can be relied upon by the potential buyer.
B. Generally, the more knowledgeable the customer, the greater the chances the court will interpret an incorrect statement by a salesperson as an actionable misrepresentation.
C. When a salesperson makes claims of a "factual nature" regarding a service's inherent capabilities, the law does not treat these comments as statements of fact and warranties.
D. A salesperson's opinion regarding the quality of the product being sold is known as sales puffery, and is not legally actionable.
E. Even if the salesperson misrepresentation statement is made innocently, most courts will award damages to the customer.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

89. Which of the following product claims is an example of a statement that if made by a salesperson would have legally actionable consequences if the statement were incorrect?
A. "This is a safe, dependable heating furnace."
B. "This refrigerator will preserve foods in the warmest weather."
C. "Feel free to prescribe this drug to your patients, doctor. It's non-addicting."
D. "This tent will keep you warm in temperatures of 40 degrees below zero."
E. All of the choices are correct

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

90. Martin is a real estate agent and he has developed a newsletter. One of the sentences in his newsletter highlights his direct competitor and states "Make sure to select a salesperson whose commission structure clearly laid out unlike Sam Smith who advertises 1% commission but ends up charging over 10%". This is an example of:
A. Slander.
B. Harassment.
C. Abuse.
D. Libel.
E. None of these.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-26 What the Law Says

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

91. George is a new car salesperson and he notices a client is walking across from his competitor's showroom into his showroom. George decides to deal with her and goes through the entire sales presentation. The customer says that she needs time to think it over as she has George's competition's car in mind. George then defames his competition by telling the client that "they make cheap cars." This is an example of:
A. Slander.
B. Harassment.
C. Abuse.
D. Libel.
E. None of these.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-26 What the Law Says

92. Monroe is a little worried about all the talk he's heard recently about lawsuits due to misrepresentation and breach of warranty. To help him "stay legal," you advise him to:
A. be accurate when describing your product's capabilities
B. thoroughly educate all customers before making a sale
C. avoid making exaggerated claims about product safety
D. know the technical specifications of the products you sell
E. all of the choices are correct

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

93. Price discrimination is covered by the Competition Act and exists when certain conditions can be proven. Which of the following would not be one such condition?
A. a discount, rebate, allowance, price concession, or other advantage was granted to one customer and not to another
B. the price discrimination occurred in respect of articles of similar quality and quantity
C. customer feels you are not providing quick enough service and finds it difficult to contact you
D. the customers are competitors
E. you offer such a unique product that it may be classified as a monopoly

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-27 Price Discrimination

94. In Canada, in price discrimination lawsuits, the buyer can also be held liable alongside the seller for the following reason:
A. There are not a lot of price discrimination cases.
B. To send over-complicated price discriminatory cases to the U.S. instead of dealing with them in Canada.
C. To reduce the number of price discrimination cases being brought forward.
D. To intentionally discourage large-volume buyers from asking for discriminatory pricing.
E. The statement is incorrect. In Canada, the buyers are not held liable alongside the sellers in price discrimination.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-27 Price Discrimination

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

95. A salesperson makes the following statement to a plant nursery retailer, "I'll sell you Southview Sphagnum peat moss only if you'll sell Greenway grass seeds, too." Under the Competition Act, this statement describes which of the following terms?
A. misrepresentation
B. a tie-in sale
C. reciprocal selling
D. a cooling off period
E. discriminatory selling

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-28 Tied Selling or Tie-in Sales

96. Patty tells her customer that she can only sell her the limited edition watch if the customer purchases two of the regular watches worth at least $250. This is an example of:
A. Discriminatory selling.
B. Reciprocal selling.
C. Requirement tie selling.
D. Bundling.
E. Exclusive dealing.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-28 Tied Selling or Tie-in Sales

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

97. Angela is in a middle of signing a deal for Product Z which her company sells. She is aware that this is the cheapest price the customer is getting for this product. So, she lays out a condition and tells her customer that they must purchase all of your Product Y from her company in order to purchase Product Z at this price. This is an example of:
A. Discriminatory selling.
B. Reciprocal selling.
C. Requirement tie selling.
D. Bundling.
E. Exclusive dealing.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-28 Tied Selling or Tie-in Sales

98. Manufacture XYZ requires that its wholesalers and retailers buy merchandise only from it. These types of agreements may be deemed illegal under the Competition Act under a specific circumstance. Which of the following terms best describes the aforementioned agreement between XYZ and its wholesalers?
A. exclusive dealership
B. reciprocity
C. product discrimination
D. deceptive slotting
E. price discrimination

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-29 Exclusive Dealing

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

99. "I'll tell you what," said Brodie Wilson. "I'll buy all my paper supplies from your company if you'll make sure your people buy all their cleaning supplies from my firm." Which term best describes what Wilson is proposing?
A. a reverse service/sales agreement
B. reciprocity
C. a tie-in sale
D. price bartering
E. discriminatory selling

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-30 Reciprocity

100. Peter Lau sells roof replacements via door-to-door sales calls in British Columbia. He just sold Mary, a homeowner, a full replacement package for which she provided a 20% down payment. Under legislation in British Columbia, Mary has ten days to cancel the contract without any negative consequences. What term describes this ten-day period?
A. reciprocity period
B. exclusive contract period
C. unbundling period
D. cooling-off period
E. ten-day quality assurance period

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-31 Consumer Protection

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

101. Which of the following statements apply in British Columbia if you undertake to sell goods and services door-to-door?
A. holds salespeople legally responsible if the items they sell damage the environment
B. allows car dealers to charge different prices to different consumers provided they advertise "make your own best deal"
C. requires persons selling directly to consumers to pay a license fee and be licensed by the city unless the sellers are also residents of the city in which they are doing business
D. states that if asked by a consumer, a door-to-door salesperson must show the documented laboratory evidence to support product performance claims
E. was first introduced after complaints about Mary Kay sales people making calls on residents.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-31 Consumer Protection

102. Which of the following statements about the international side of ethics is true?
A. A salesperson competing in a foreign country will NOT find him or herself competing with foreign companies who are allowed to do things considered unethical by Canadian standards.
B. Those parts of the world that don't conform to Canadian ethical standards are limited to just three geographic areas.
C. The vast majority of international companies do NOT have high ethical standards.
D. Ethics related to employees and community are never difficult to understand when doing business in another country.
E. None of these statements are true.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-22 Ethics in Dealing with Customers
Topic: 02-24 Bribes

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

103. Which of the following have been identified in the text as factors that influence business ethics?
A. the employee's superior
B. the need to meet job goals
C. whether the person dealt with is a friend
D. the company's culture
E. all of these may influence business ethics

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-32 Managing Sales Ethics

104. To foster a climate that encourages ethical behaviour by the sales force, management should do which of the following?
A. establish an ethical committee
B. be sure that members of top management behave ethically
C. ensure individuals' goals are achievable
D. develop control systems
E. all of these are important ways to establish a climate of ethical behaviour

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-36 Senior Management
Topic: 02-40 Establish Control Systems

105. Which of the following best captures the notion of developing a formal statement of a company's values concerning ethics and social issues?
A. social covenant
B. tying agreement
C. law of fairness
D. code of ethics
E. an ombudsman ethics statement

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-37 Establish a Code of Ethics

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

106. You work for an organization that decides to undertake a change in their approach to business ethics. As you carefully reflect on variables that shape ethical business behaviour, which of the following would NOT warrant much attention from you?
A. the way employees are compensated
B. senior managements' actions and words
C. how salespeople are promoted
D. your selection process
E. your competitors' approach to ethics

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-32 Managing Sales Ethics

107. Which of the following best describes the role of an ethical ombudsman at a Canadian Organization?
A. interacts with the organizational stakeholders on a daily basis
B. writes the company's code of ethics
C. is also called a whistle-blower
D. handles all negative publicity for an organization
E. is an official who assumes the role of corporate conscience

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-38 Create Ethical Structures

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

108. Joey observed one of the other salespeople at her firm giving a client expensive Vancouver Canucks hockey tickets. She is sure the tickets were intended as a bribe for a large order the customer was about to place with the company. If Joey reports this activity to her supervisor, what specific role would Joey be displaying?
A. reciprocity
B. a non-team player
C. whistle-blowing
D. consensual reporting
E. ethical declarations of wrongdoing

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-39 Encourage Whistle-Blowing

109. According to the text, what is the single most important factor in improving the climate for ethical behaviour in a sales force?
A. the actions taken by top management
B. writing an ethical code of conduct
C. effective goal-setting programs
D. quick disciplinary action against offenders
E. the development of training seminars on ethical practices and procedures

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-34 Create an Ethical Sales Climate

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

110. Which of the following would be considered unethical behaviour by a salesperson?
A. Moonlighting
B. Cheating
C. Misusing company assets
D. Stealing Technology
E. All of these would be examples of unethical behaviour

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-17 Misusing Company Assets
Topic: 02-18 Moonlighting
Topic: 02-19 Cheating
Topic: 02-21 Technology Theft

111. Alex has been tasked to provide his company with possible outcomes that management may apply to sales personnel that have been found to use unethical business practices. Which of the following are NOT effective approaches which will serve to decrease unethical behaviour by sales personnel?
A. demotion
B. withholding of commission pay-outs
C. dismissal
D. re-train
E. suspension

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-40 Establish Control Systems

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

112. Lucas sells athletic clothing for a major clothing manufacturer. His buddy owns a local retail store, so Lucas agrees to give him a further 10% discount so that he can compete better in his city. Which of the following terms best describes Lucas' action?
A. Consumer protection
B. Exclusive dealing
C. Reciprocity
D. Price discrimination
E. Nothing that most salespeople wouldn't do

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-27 Price Discrimination

113. When a company is selecting a leader, they should be looking for an individual who is at a principled level of moral development. In other words, the leader should be able to exhibit which of the following qualities at the highest level:
A. Integrity
B. Standards
C. Values
D. None of these
E. All of these

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-35 Leader Selection Is Important

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

114. Hoda, a sales manager for a large machinery fabricator, has found over the last few years that her sales staff has been engaging in an increasing number of shady sales practices that are inconsistent with her way of thinking and the company's overall mission statement. Which of the following actions are likely to lead to improved ethical behaviour on the part of her sales force?
A. Stop worrying about it as sales have been increasing drastically
B. Establish a formal code of ethics for her company and enforce it
C. Find out the worst offenders and fire them immediately
D. Redefine sales territories with an eye to reduce the number of sales territories
E. Attempt to determine if those practices are in line with industry norms

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-37 Establish a Code of Ethics

115. Caleb was recently hired as a car salesperson. He is going through his orientation and is reading a document on the company's code of ethics. This document is highlighting how to deal with ethical situations such as conflict of interest, political gifts, observing the laws, etc. In this scenario, Caleb is reading a code of ethics comprised of which of the following types of statements:
A. Policy-based statements
B. Proactive-based statements
C. Procedure-based statements
D. Principled-based statements
E. Situation-based statements

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-37 Establish a Code of Ethics

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

116. Martha has been provided with a new document which contains her company's updated code of ethics. The changes have been highlighted in the document and they include changes in corporate culture, treatment of employees and quality of their products. Based on this information, which of the following types of code of ethics has Martha's company changed to:
A. Policy-based statements
B. Proactive-based statements
C. Procedure-based statements
D. Principled-based statements
E. Situation-based statements

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-37 Establish a Code of Ethics

117. Which of the following penalties can be imposed on a person involved in an unethical sales practice?
A. Withholding of sales commission
B. Dismissal
C. Suspension
D. Demotion
E. All of these

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-40 Establish Control Systems

118. Many sales practices in Canada are legally governed by which of the following bodies?
A. Federal Government
B. Provincial Consumer Associations
C. Trade Associations representing national wholesalers and retailers
D. Canadian Professional Sales Association
E. Sales practices are not governed at all.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

119. Which of the following demonstrates social responsibility?
A. working with affected constituents to resolve mutual problems
B. maximizing profits while decreasing expenses
C. ignoring pollution problems to cut expenses
D. laying off employees to maximize profits
E. keeping mistakes private to avoid public panic

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-05 What Influences Ethical Behaviour?

120. Which of the following is normally associated with organizations that take a socially responsible approach to business?
A. Tend to reap financial benefits in the short term
B. their brand is often impacted negatively in the mid and long term
C. tend to attract a very narrow market segment that is socially conscientious, hence, impacting sales negatively
D. operating costs tend to increase vis-à-vis less socially conscientious competitors
E. are viewed negatively in the markets they serve

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-03 Explain how to demonstrate social responsibility.
Topic: 02-05 What Influences Ethical Behaviour?

121. Canada's human rights legislation prohibits denial of employment for a broad range of variables. Which of the following variables are impacted by discrimination legislation?
A. Age
B. Gender
C. Physical disability
D. Religion
E. All of these choices are correct

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-15 Employee Rights

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

122. Parmir was determined to win the annual summer sales contest in his company. The sales representative with the top sales volume during the month of July would win a trip to Hawaii. Parmir had several thousand dollars in orders from June that he had not processed yet so, he decided to delay their processing until July. Which unethical practice is Parmir engaged in?
A. cheating
B. moonlighting
C. fraud
D. deception
E. lying to customers

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-19 Cheating

Short Answer Questions

123. Explain the differences between legal responsibility and ethical responsibility of a company. Provide an example for each type of responsibility for a company.

Legal responsibility requires a company to obey the law, whereas an ethical responsibility makes companies do what is right and be ethical.
In developed societies, companies have to abide by rules, laws, and regulations in order to operate their business. These legal requirements must be adhered to or else companies can face consequences, for example, financial sales representatives falsifying the past performance of a stock by inflating its past performance in order to increase their sales. Unlike legal responsibilities, which are codified into a law, ethical responsibilities require companies and their representatives to act with fairness, equality, and impartiality, for example, an employee promising a same-day delivery to a client in order to close-out a deal when he/she is aware that the company won't be able to deliver for the next three days.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

ABCs of Relationship Selling Through Service (Canadian) 7th edition Futrell Test Bank

124. Define social responsibility and how social responsibility may in fact be a factor that enhances corporate performance. Provide an example.

Social responsibility is management's obligation to make choices and take actions that contribute to the welfare and interests of society as well as to those of the organization. Students should link social responsibility, stakeholders' interest, and profits, for example; by meeting expectations of customers with safe and reliable products, organizations gain product/service ambassadors who, in turn, refer other customers to an organization, driving revenues and profits. Ideally, students in a class would come up with one example associated with each stakeholder group

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-01 Describe management's social responsibilities.
Topic: 02-03 An Organization's Main Responsibilities

125. List and describe the three levels of moral development. Provide an example of a type of question a salesperson might ask himself/herself at each level when making an ethical or moral decision.

The three levels of moral development are: preconventional, conventional, and principled.
At level 1 - preconventional level, people will act unethically by breaking moral and legal laws. At this level, salespeople would generally ask themselves questions such as "What can I get away with this time?"
At level 2 - conventional level, people comply with moral and legal laws and they maintain expectations of people such as friends, family, boss, employer, etc. Salespeople at this level ask questions such as "Have I followed all the steps in the procedure in order to legally comply with this contract?"
Finally, at level 3 - principled level, people are strong minded and strictly follow their internal set of rules, values, and ethical standards regardless of worrying about the consequences. These people would not care about the legal laws or superiors' orders if it goes against their core principles. Salespeople in this category would ask questions such as "What is the right thing to do in this situation?"

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

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126. At what level of moral development do most people operate? What potential variables shape an individual's moral development?

Most people operate at the conventional level. Some factors which influence the individual's moral development include family, experiences, religion etc.

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-04 Explain what influences ethical behaviour.
Topic: 02-06 The Individual's Role

127. What complaint could be lodged against a salesperson who claimed that if you bought the mattress she was selling, you would never have any more backaches? As the manager of that mattress company, list three measures you would implement to decrease the likelihood of a similar complaint happening in the future?

A complaint of misrepresentation can be lodged against the salesperson, as there was a breach of warranty (assuming a customer continues to experience backache). A manager of the salesperson can implement control systems and follow up, looking at salespeople that consistently are number one (are they making claims that misrepresent the product?), implementing training (do the employees understand the difference between facts and opinions?), and ensure that employees see the bigger picture consequences of such misrepresentation.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-25 Misrepresentation

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128. According to the textbook, sales managers usually deal with five major ethical considerations when it comes to dealing with salespeople. List three of those ethical considerations and explain how sales managers can make ethical decisions around them.

To answer this, students can select any three of the following five considerations listed in the text:

1) Level of Sales Pressure: managers have a responsibility to make money and sales managers are no different. Sales Managers set goals for their team to achieve in order to stay profitable and in business. Sometimes, managers end up setting unrealistic goals which puts a lot of pressure on the sales team and its performance. Therefore, in order to motivate their team to help achieve their targets, sales managers should set realistic goals while considering each individual salesperson's territory.
2) Decisions Affecting Territory: Sales managers end up assigning, reassigning, or restructuring the sales persons' territories or accounts. These decisions can have an impact on their earnings since their income is mostly performance-based. Sales managers need to be fair to their sales teams when making territory related decisions, even if they are trying to cut down their expenses. For example, instead of taking a major account away from a salesperson to cut into his/her commission structure, a sales manager can simply pay a one-time lump sum bonus to recognize the salesperson's achievement.
3) To Tell the Truth: Some salespeople are not meant for their jobs. In this case, the sales managers should tell their staff the truth about their performance rather than impacting both the company's performance and the salesperson's career. By being honest, the sales manager can cut the losses for both parties in advance.
4) The Ill Salesperson: There are times when a salesperson starts having mental, physical, drug, or alcohol-related issues. The sales managers who face these kinds of issues can only do so much to help the ill salesperson. Companies normally have Employee Assistance Programs (EAPs) or Employee Family Assistance Programs (EFAPs) which can provide counselling and remedial services to the ill employee. Managers can work sincerely to help these salespersons alongside with these programs.
5) Employee Rights: Employees have rights regarding their job security and fair treatment by the employers, even if these rights are not covered under laws or a union's agreements. Sales managers usually face two major kinds of rights issues: privacy rights and discrimination rights. Sales managers must ensure that all of their employees have a safe and private working environment that is free from any kind of discrimination.

Accessibility: Keyboard Navigation
Difficulty: Hard
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-10 Ethics in Dealing with Salespeople
Topic: 02-11 Level of Sales Pressure
Topic: 02-12 Decisions Affecting Territory
Topic: 02-13 To Tell the Truth?
Topic: 02-14 The Ill Salesperson
Topic: 02-15 Employee Rights

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129. List five benefits that a member firm might have if its association imposes self-regulation to maintain its membership.

All of the following are the benefits of self-regulation:

Professional credibility and increased company profile
Accountability and maintain quality standard
Increased public image and trust
Implementing and following guidelines for abandoning or staying away from unskilled practices and unethical conduct
Documented proof of membership and practice
Recognition of expertise
Disciplinary action by peers
Providing information to the customers to make informed decision related to the firm

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-23 Self-Regulation

130. Explain the two types of tie-in selling.

The two types of tie-in selling methods are bundling and requirements tie.
In bunding, the party selling the product sells it to the client on a condition that the client will buy a certain number of another products through the seller.
Requirement selling occurs when the company selling, for example, Product B forces its buyer to buy all of their Product A from them before they can purchase Product B.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-28 Tied Selling or Tie-in Sales

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131. The textbook lists seven ways in which managers can improve their ethical climate and their social responsiveness. List four out of seven of those methods.

Students can list any of the following 7 methods:

1) formulating an ethical sales climate
2) top managers setting the examples for the rest to follow
3) being thorough in their process of choosing leaders
4) developing and enforcing code of ethics
5) creating ethical structures
6) formally encouraging whistle-blowing
7) developing control systems.

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-32 Managing Sales Ethics

132. What are the two types of codes of ethics?

Principle-based statements and policy-based statements.

Accessibility: Keyboard Navigation
Difficulty: Easy
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-37 Establish a Code of Ethics

133. What is the single most important factor in improving the climate for ethical behaviour in a sales force? Why?

The action taken by top-level managers. They serve as role models by showcasing their support for the code of ethics which they help develop for the company. They can set examples by "walking the talk."

Accessibility: Keyboard Navigation
Difficulty: Medium
Learning Objective: 02-06 Discuss ethical dealings among salespeople, employers, and customers.
Topic: 02-34 Create an Ethical Sales Climate

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