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

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS:	United States - BUSPROG: Ethics
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DATE CREATED:	7/19/2013 11:43 AM
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2. The marketplace in the classical view of economics, while being a good allocator of goods and services, does not do a good job of ensuring that business always acts fairly and ethically.

a. True

b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
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STATE STANDARDS:	United States - GA - DISC: ETHICAL RESPONSIBILITIES
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DATE MODIFIED:	7/19/2013 11:43 AM

3. Philanthropy is the term by Adam Smith in *Wealth of Nations* to describe the operation of self interest resulting in the good of society.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
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4. The company town, in which a major employer builds homes and commercial buildings, and provides the goods and services needed by its employees, is an example of paternalistic social responsibility.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 10/9/2013 3:58 PM

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

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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7. The CSR Pyramid is a stakeholder model--that is, each of its components addresses different stakeholders.
   a. True
   b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
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KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 10/9/2013 4:14 PM

9. An argument for corporate social responsibility is that it helps business compete in the global economy.
   a. True
   b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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10. Proponents of the concept of corporate social responsiveness believe that the focus of corporate social responsibility on accountability or obligation is not dynamic enough to describe business's willingness and activity to respond to social demands.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Ethics
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KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

11. Corporate social responsiveness is focused on the action phase of management response to social demands.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 1/19/2017 7:44 PM

12. Carroll's Corporate Social Performance Model helps managers understand that social responsibility is separate and distinct from financial performance.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

13. Corporate social performance emphasizes the financial results of what the firm hopes to accomplish.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Ethics
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KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

14. The corporate social performance concept has not yet spread to the business community.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

15. A survey done by Walker Information shows that the public believes that CSR does not factor into a company's reputation at all.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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16. One of the biggest advances in corporate social performance is that all agree that performance criteria need only be responsive and not anticipatory.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Ethics
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KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 10/9/2013 4:51 PM

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

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
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KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.02 - 02.02

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DATE MODIFIED: 7/19/2013 11:43 AM

19. Social responsible investing is a very new concept, originating in the early 1990s.
    a. True
    b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 10/9/2013 5:06 PM

20. Social screening is the mechanism by which socially conscious investors choose their investment advisors.
    a. True
    b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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DATE CREATED: 7/19/2013 11:43 AM
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21. The early definition of corporate social responsibility was
    a. seriously considering the impact of the company's actions on society.
    b. maximizing profits.
    c. accomplishing the firm's social action goals.
    d. that the corporation had not only economic and legal obligations, but also certain responsibilities to society which extended beyond those obligations.
ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice

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KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
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DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Ethics
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
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24. Corporate social performance emphasizes
    a. obligation and accountability.
    b. action and activity.
    c. outcomes and results.

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d. socially responsible investing.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Ethics
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KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

25. The classical view of economics holds that a society can best determine its needs and wants through
    a. a centrally planned economy.
    b. government owned factors of production.
    c. democracy.
    d. the marketplace.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

26. The traditional concept of business responsibility in the United States is based on
    a. democracy.
    b. socialism.
    c. the classical economic model.
    d. the neoclassical economic model.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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27. The concept of business responsibility based on using laws to constrain business behavior is referred to as the
    a. neoclassical economic model.
    b. socialist model.
    c. legal model.
    d. stakeholder model.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

28. The concept of business responsibility that is based on concern for the various groups that are affected by a business is known as the
    a. legal model.
    b. classical economic model.
    c. ethical model.
    d. stakeholder model.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

29. Which of the following practices is *not* a modification of the classical economic model?
    a. philanthropy
    b. community obligations
    c. owner control
    d. paternalism

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False

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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

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

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

31. The fact that business leaders in the late 19th century felt they had to show that large corporations were a force for social good is an example of

a. the iron cage of rationality.
b. socialism.
c. paternalism.
d. the iron law of oligarchy.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

32. The modern era of corporate social responsibility (from the 1950s to today)

a. emphasizes general awareness of social and moral concerns.
b. has seen decreased awareness of the issue.

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c. emphasizes specific issues.
d. is marked by legislation requiring ethical business behavior.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

33. Which of the following is *not* one of the responsibilities in Carroll's four-part definition of corporate social responsibility?
a. economic
b. social
c. legal
d. philanthropic

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking

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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: LEGAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

36. The part of corporate social responsibility that focuses on activities and practices that are expected by society, but not codified into law, is
a. economic.
b. legal.
c. ethical.
d. philanthropic.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

37. The part of corporate social responsibility that focuses on business's voluntary activities which are not normally expected of a firm is
a. economic.
b. legal.
c. ethical.

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d. philanthropic.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

a. Pyramid of Corporate Social Responsibility
b. Corporate Citizenship concepts
c. Social Response Cycle
d. None of these

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

39. The socially responsible firm should strive to do all of the following EXCEPT

a. Make a profit
b. obey the preferred laws
c. Be ethical
d. Be a good corporate citizen

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.02 - 02.02
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION

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

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
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42. Which of the following is *not* an argument commonly used in favor of corporate social responsibility?
    a. Business is best equipped to handle social problems.
    b. It is in the long range interest of business to be socially responsible.
    c. Being socially responsible helps ward off government intervention and regulation.
    d. Business has the resources to combat social problems.

ANSWER: a
POINTS: 1

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DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
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43. The book, *The Civil Corporation*, identifies four ways in which business firms respond to social pressures. Which of the following is *not* one of those?

a. defensive approach
b. cost-benefit approach
c. strategic approach
d. stakeholder approach

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
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DATE CREATED: 7/19/2013 11:43 AM
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44. According to the Business Case for CSR, a reason companies are becoming more socially responsible is all of the following *except*

a. Access to capital
b. Increased revenue
c. Cost savings
d. Customer demand

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
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45. ____ is depicted as an action - oriented variant of CSR
a. Corporate Social Responsiveness
b. Corporate Social Responsibility
c. Corporate Societal Responsibility
d. Corporate Social Performance

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
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DATE MODIFIED: 7/19/2013 11:43 AM

46. The ____ argument against CSR focuses on the consequence of the requirement that business must internalize costs that it formerly passed on to society in the form of dirty air and unsafe products, the costs of which might necessitate raising prices.
a. Resources Available
b. Business not equipped
c. Dilutes Business purpose
d. Global Competitiveness

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS: BLOOM'S: COMPREHENSION
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47. Which of the following is *not* a dimension of Carroll's corporate social performance model?
a. social responsibility categories
b. funding sources
c. philosophy of social responsiveness
d. issues

ANSWER: b

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POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
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48. Carroll's corporate social performance model can be used in all of the ways listed below *except*
    a. providing a conceptualization that could lead to better managed social performance.
    b. providing answers to specific social problems.
    c. using it as a planning tool.
    d. identifying categories within which the organization can be situated.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS: BLOOM'S: COMPREHENSION
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49. Which entity publishes annual "World's Most Admired Companies" rankings?
    a. The Conference Board
    b. Fortune Magazine
    c. Walt Disney
    d. The U.S. Chamber of Commerce

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
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50. Which entity publishes "The 100 Best Companies to Work For"?

a. The Conference Board
b. Fortune Magazine
c. Walt Disney
d. The U.S. Chamber of Commerce

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS: BLOOM'S: KNOWLEDGE
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51. Which of the following is *not* a characteristic of a socially responsible company?

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

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.02 - 02.02
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

a. unlimited
b. broad
c. narrow
d. limited

ANSWER: b
POINTS: 1

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DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: KNOWLEDGE
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

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

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Ethics
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS: BLOOM'S: COMPREHENSION
DATE CREATED: 7/19/2013 11:43 AM
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55. The relationship between corporate social performance and financial performance is viewed from three different perspectives. The most popular view is based on the belief that

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

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS: BLOOM'S: COMPREHENSION
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DATE MODIFIED: 7/19/2013 11:43 AM

56. The relationship between corporate social performance and financial performance is viewed from three different perspectives. The perspective that views social responsibility as a "fair weather" concept
a. has been studied extensively.
b. views social responsibility as driven by the firm's financial performance.
c. is the most popular of the three perspectives.
d. sees an interactive relationship among social performance, financial performance, and corporate reputation.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS: BLOOM'S: COMPREHENSION
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DATE MODIFIED: 7/19/2013 11:43 AM

57. The relationship between corporate social performance and financial performance is viewed from three different perspectives. The symbiotic view
a. states that financial performance determines social performance.
b. high social performance leads to improved financial performance.
c. states that there is an interactive relationship among social performance, financial performance, and corporate reputation.
d. is synonymous with the contingency view of Husted.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy

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QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

58. The Triple Bottom Line concept focuses on economic, social, and environmental performance, the key elements of
    a. sustainability.
    b. growth.
    c. corporate social responsibility.
    d. corporate social responsiveness.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
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DATE MODIFIED: 7/19/2013 11:43 AM

59. The Triple Bottom Line encompasses all of the following spheres of performance *except*
    a. economic.
    b. social.
    c. environmental.
    d. philanthropic.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
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60. Financial returns from socially conscious investment funds are

a. competitive with returns from other investments.

b. higher than returns from other investments.

c. slightly lower than returns from other investments.

d. much lower than returns from other investments.

ANSWER:	a
POINTS:	1
DIFFICULTY:	Easy
QUESTION TYPE:	Multiple Choice
HAS VARIABLES:	False
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS:	United States - BUSPROG: Analytic Reflective Thi - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: Environmental Influence - Environmental Influence
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DATE MODIFIED:	7/19/2013 11:43 AM

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

61. Explain why Business for Social Responsibility (BSR) was formed.

ANSWER:	BSR was formed to fill an urgent need for a national business alliance that fosters socially responsible corporate policies. Identification of this need was aided by the close scrutiny that business has been receiving for the past three decades (as outlined in Chapter 1).
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
PREFACE NAME:	SA Instructions
LEARNING OBJECTIVES:	ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS:	BLOOM'S: ANALYSIS
DATE CREATED:	7/19/2013 11:43 AM
DATE MODIFIED:	7/19/2013 11:43 AM

62. Explain why the emergence of large corporations in the late 19th century helped shift society's view away from the classical economic view.

ANSWER:	Adam Smith's description of the free market system assumes a large number of small, relatively equal and powerless suppliers of goods. As large corporations became more common, it became clear that they were accumulating a significant degree of power over the economy and other spheres of society.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
PREFACE NAME:	SA Instructions

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LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
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63. In Carroll's four-part definition of corporate social responsibility, he includes philanthropic responsibilities, yet he describes these as voluntary or discretionary. Explain this seeming contrast between a responsibility and a voluntary activity.

ANSWER: Carroll says that philanthropy is a responsibility because it is expected of business by society. However, it is not required, as are the economic and legal responsibilities. Business can forego philanthropic activities without suffering sanctions from society, and it has discretion in what causes it supports and how it contributes to those causes.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: ETHICAL RESPONSIBILITIES
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

64. One of the arguments that opponents of corporate social responsibility use is that business already has enough power, so society should not grant it more power by relying on it to alleviate social problems. Evaluate this argument.

ANSWER: In many ways, the arguments for corporate social responsibility can be summarized by the old saying, "to whom much is given, much is expected." Business already has a high degree of power in our society, and so, according to this saying, it should be expected to help solve social problems. Because business already has this power, it does not seem that society would be losing anything by requiring business to use it to solve social problems, rather than focus solely on gaining further financial rewards for itself.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
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65. One of the arguments against corporate social responsibility is that by requiring more of U.S. corporations, they may be put at a disadvantage relative to foreign competitors. Evaluate this argument.

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ANSWER: This argument is fallacious on its face. Corporate social responsibility is rapidly becoming a global concern, and many other countries require more from their corporations than the U.S. requires.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

66. In the 1890s, the Robber Barons began to use their personal wealth and the wealth accumulated by their corporations to enhance the social good. Their philanthropic activities were encouraged, in part, because public opinion was demanding that the government do something to limit their power. Is this type of activity still occurring in the United States? Why or why not?
ANSWER: Philanthropic activity to help ward off government intervention is still a central reason business uses to justify the corporate social responsibility concept. In fact, this is a central argument in support of CSR today.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS: BLOOM'S: ANALYSIS
DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

67. Summarize the argument used to explain why the concept of corporate social responsiveness is an improvement over corporate social responsibility.
ANSWER: Corporate social responsibility's emphasis on obligations and accountability implied that business should do only the minimum that would satisfy the duties imposed on it by society. Corporate social responsiveness, on the other hand, emphasizes a proactive, dynamic, and action orientation. In this paradigm, business should actively seek to meet social needs before they become a duty imposed by society. Using this approach both encourages social performance by business and allows it more latitude in what actions it will take.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
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DATE CREATED: 7/19/2013 11:43 AM
DATE MODIFIED: 7/19/2013 11:43 AM

68. Discuss the methods used by *Fortune* magazine to determine how firms are ranked as to Social Responsibility. Do you think the ranking is fair? Why or why not?

ANSWER: *Fortune*'s rankings are the result of a poll of thousands of senior executives, outside directors and financial analysts. Such a method seems eminently fair, in that peers evaluate each other. In addition, getting feedback from senior executives within a firm, and outside directors, objective as to the firm as well as financial analysts, ensures that views both inside and outside the company are considered.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - GA - DISC: Environmental Influence - Environmental Influence
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69. Explain the concept of "multiple bottom lines." Why do advocates of this approach prefer it over the traditional method of measuring the firm's financial performance?

ANSWER: Advocates of the multiple bottom line approach argue that there is more to a firm's overall performance than simply its financial results of operations. Using the definitions of dual-entry bookkeeping, benefits provided to any constituent other than owners (e.g., compensation to workers, payments to suppliers, costs to reduce pollution) are regarded as "evils" to be kept at a minimum. The multiple bottom line approach recognizes that a firm has many stakeholders, and that not all stakeholders share common objectives. By reporting on several aspects of the firm's performance, including financial, proponents say that enhanced information is provided and the firm can better assess its impact on society.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Subjective Short Answer
HAS VARIABLES: False
PREFACE NAME: SA Instructions
LEARNING OBJECTIVES: ETHC.CARR.15.02.04 - 02.04
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
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70. Describe socially responsible investing.

ANSWER:	The basic concept underlying socially responsible investing is that some investors seek to place their money in companies that behave in socially responsible ways. Looking at it from the opposite perspective, these investors do not want to invest in firms that act in socially irresponsible ways, such as damaging the environment of neglecting workers' rights. A whole methodology has grown to support socially responsible investing, including social and environmental screens, shareholder activism, and community investment. More than $2 trillion is invested in this manner in the United States, and returns are competitive with other investment vehicles.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Subjective Short Answer
HAS VARIABLES:	False
PREFACE NAME:	SA Instructions
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS:	BLOOM'S: ANALYSIS
DATE CREATED:	7/19/2013 11:43 AM
DATE MODIFIED:	7/19/2013 11:43 AM

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

71. Distinguish between the concepts of corporate social responsibility, corporate social responsiveness, corporate social performance, and corporate citizenship. How are these ideas different from each other? How are they similar?

ANSWER:	Students should recognize that responsibility focuses on accountability and obligations imposed on business by society. This is the most passive of the four concepts, which is its primary shortcoming. Responsiveness implies proaction and activity by business in anticipating social needs before they become duties imposed by society. This concept is an improvement over responsibility, but it still does not incorporate the results of its activities. This shortcoming is addressed by performance, with its focus on outcomes. Corporate citizenship encompasses all three of the other concepts, but does not really add much new to the discussion.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Essay
HAS VARIABLES:	False
PREFACE NAME:	ES Instructions
LEARNING OBJECTIVES:	ETHC.CARR.15.02.03 - 02.03
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS:	BLOOM'S: ANALYSIS
DATE CREATED:	7/19/2013 11:43 AM
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72. *The Generous Corporation* argues that corporations began their philanthropic activities primarily out of self-interest. By doing so, they are able to keep government from intervening in their business activities and imposing more regulations on them. Assuming that this argument is valid, and the firms' motives are primarily self interested, evaluate whether or not the motives are important. That is, are firms' philanthropic activities less valuable because they are motivated by self

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interest? Explain your answer.

ANSWER:	Students will probably be nearly evenly split on their answers to this question. Many will take a pragmatic view and say that the causes that need help are getting it, regardless of the companies' reason for giving it. Others will be offended that firms are not giving for the "right" reason, and view the activity as simply another form of self-promotion and advertising. The primary focus should be on their reasoning to support their answer. If the class discusses this question, the instructor may want to compare this to the popular ethical dilemma of the hospital patient. If you were a patient in the hospital, would you want a utilitarian, a deontologist, or a virtue ethicist to visit you? The utilitarian would be there because he/she determined that overall happiness would be improved by visiting you, not necessarily because she or he wanted to see you. The deontologist would be there because s/he felt that it was her/his duty--what others would agree should be done--rather than because of a desire to see you. The virtue ethicist, on the other hand, would be visiting because it is what friends should do in that situation. This dilemma can be applied to the essay question, substituting the cause for the hospital patient and the firm for the visiting friend.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Essay
HAS VARIABLES:	False
PREFACE NAME:	ES Instructions
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: ETHICAL RESPONSIBILITIES
KEYWORDS:	BLOOM'S: ANALYSIS
DATE CREATED:	7/19/2013 11:43 AM
DATE MODIFIED:	7/19/2013 11:43 AM

73. The primary argument for corporate social responsibility states that for business to have a healthy climate in which to operate in the future, it must take current action to assure its long-term viability. Is this long-range self-interest argument valid? Does it encompass all that society wants from business?

ANSWER:	Students should recognize that the argument is certainly valid. Survival is a central motive for all organisms/organizations. Therefore, taking action to improve one's chances for survival is a valid and appropriate response. This is true whether one is talking about eating the right foods and exercising for humans, or socially responsible activities for corporations. The debate should take place over the question of whether it encompasses all that society wants from business. Stated in another way, is survival the only motive we expect from each other and from our business institutions? Some students will be convinced that self interest is all that we can realistically expect from business, while others will argue that business is part of a larger society, and thus should be expected to contribute to society in ways that benefit others, for reasons beyond survival. This debate should mirror the continuing discussion between individualistic political philosophers and communitarians.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Essay
HAS VARIABLES:	False
PREFACE NAME:	ES Instructions
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking

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DATE CREATED:	7/19/2013 11:43 AM
DATE MODIFIED:	7/19/2013 11:43 AM

74. Are the awards described in the textbook effective ways of promoting the idea of corporate social performance? Why or why not?

ANSWER:	The awards are just one way in which CSP is promoted. Are they sufficient, by themselves, to bring about widespread acceptance of the CSP concept? Probably not. But, if viewed as one part of an ongoing campaign, they do help promote the idea. Firms thrive on positive publicity and recognition, and this is one way to achieve that. Figure 2-5 shows that the top reason for and benefit of corporate social responsibility is an enhanced reputation and better public image. Although this figure relates to corporate social responsibility, it is safe to assume that the same can be said for CSP.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Essay
HAS VARIABLES:	False
PREFACE NAME:	ES Instructions
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: Environmental Influence - Environmental Influence
KEYWORDS:	BLOOM'S: ANALYSIS
DATE CREATED:	7/19/2013 11:43 AM
DATE MODIFIED:	7/19/2013 11:43 AM

75. Which of the three bottom lines encompassed by the Triple Bottom Line do you consider most important? Explain your answer.

ANSWER:	Students should recognize that this is "trick" question. The whole point of the Triple Bottom Line is to move *away* from the idea that one area is more important than the others. Using the Triple Bottom Line points out the importance and inter-relation of all three, and the effects they have on various stakeholders.
POINTS:	1
DIFFICULTY:	Moderate
QUESTION TYPE:	Essay
HAS VARIABLES:	False
PREFACE NAME:	ES Instructions
LEARNING OBJECTIVES:	ETHC.CARR.15.02.01 - 02.01
NATIONAL STANDARDS:	United States - BUSPROG: Reflective Thinking
STATE STANDARDS:	United States - GA - DISC: Environmental Influence - Environmental Influence
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