Foundations of Business 6th edition Pride Test Bank

SKU: 9781337386920-TEST-BANK

TRUE/FALSE

1 : Ethics is the study of right and wrong and of the morality of the choices we make.
A : true
B : false

Correct Answer : A

2 : An ethical decision or action is one that is right according to some standard of behavior.
A : true
B : false

Correct Answer : A

3 : The field of business ethics applies moral standards to business situations.
A : true
B : false

Correct Answer : A

4 : Business ethics rarely involves the application of moral standards to the business activity of a normal company.
A : true
B : false

Correct Answer : B

5 : Ethical issues often arise out of businesss relationships with investors, customers, employees, creditors, or competitors.
A : true
B : false

Correct Answer : A

6 : Businesspeople often face ethical issues every day, and some of these issues can be difficult to assess.
A : true
B : false

Correct Answer : A

7 : Businesspeople, by the very nature of their work, rarely face ethical issues to resolve.
A : true
B : false

Correct Answer : B

8 : Fairness and honesty in business are two important ethical concerns.
A : true
B : false

Correct Answer : A

9 : Relationships with customers and coworkers rarely create ethical problems.
A : true
B : false

Correct Answer : B

10 : False and misleading advertising is illegal and unethical.
A : true
B : false

Correct Answer : A

11 : In the United States, all bribes are unethical.
A : true
B : false

Correct Answer : A

12 : Customers are so used to misleading advertising that it does not infuriate them anymore.
A : true
B : false

Correct Answer : B

13 : Sponsors of advertisements aimed at children must be especially careful to avoid misleading messages.
A : true
B : false

Correct Answer : A

14 : There is nothing unethical about accepting payments to do something you would normally do in your job anyway.
A : true
B : false

Correct Answer : B

15 : Ethical behavior is most likely to be compromised when the personal ethics of businesspeople are high.
A : true
B : false

Correct Answer : B

16 : An individuals moral values and central, value-related attitudes clearly influence ones business behavior.
A : true
B : false

Correct Answer : A

17 : Most authorities agree that business ethics should be improved.
A : true
B : false

Correct Answer : A

18 : Employees have an easier time determining what is acceptable behavior if their company provides them with a code of ethics.
A : true
B : false

Correct Answer : A

19 : A personnel manager of a large company would probably agree that the more ethical the company, the easier it is to attract good people.
A : true
B : false

Correct Answer : A

20 : A code of ethics is a written guide to acceptable and ethical behavior as defined by an organization.
A : true
B : false

Correct Answer : A

21 : During the 1980s, very few organizations created and implemented ethics codes.
A : true
B : false

Correct Answer : B

22 : The Sarbanes-Oxley Act of 2002 deals with corporate responsibility, conflicts of interest, and corporate accountability.
A : true
B : false

Correct Answer : A

23 : A corporate code of ethics officer informs the press about unethical practices within the organization.
A : true
B : false

Correct Answer : B

24 : A businessperson can take some comfort when faced with an ethical dilemma by talking openly about it with management because ethical decisions will always withstand scrutiny.
A : true
B : false

Correct Answer : A

25 : Those who blow whistles sometimes lose their jobs.
A : true
B : false

Correct Answer : A

26 : The Sarbanes-Oxley Act of 2002 gives those who report corporate misconduct sweeping new legal protection.
A : true
B : false

Correct Answer : A

27 : It is easy for an organization to develop ethics codes, policies, and procedures to deal with all relationships and every situation.
A : true
B : false

Correct Answer : B

28 : All companies practice social responsibility in the same manner.
A : true
B : false

Correct Answer : B

29 : Generally, social responsibility does not cost money.
A : true
B : false

Correct Answer : B

30 : Social responsibility is good business, but it does cost money.
A : true
B : false

Correct Answer : A

31 : Customers cant find out which firms are acting responsibly and which are not.
A : true
B : false

Correct Answer : B

32 : Businesses record of social responsibility today is much better than in past decades.
A : true
B : false

Correct Answer : A

33 : During the first quarter of the twentieth century, working conditions were deplorable by todays standards.

A : true
B : false

Correct Answer : A

34 : Before the 1930s, the average work week prescribed by law was forty hours; however, workers were dissatisfied because there was no minimum wage.
A : true
B : false

Correct Answer : B

35 : When translated, caveat emptor means let the buyer beware.
A : true
B : false

Correct Answer : A

36 : President Franklin D. Roosevelts program for restoring the economy and improving social conditions became the foundation for increased government involvement in business.
A : true
B : false

Correct Answer : A

37 : Awareness of businesses social responsibilities has increased along with government involvement.
A : true
B : false

Correct Answer : A

38 : Within a firm, social responsibility begins with managements attitude.
A : true
B : false

Correct Answer : A

39 : The economic model of social responsibility emphasizes profits.
A : true
B : false

Correct Answer : A

40 : The economic model of social responsibility emphasizes the effect of business decisions on society.
A : true
B : false

Correct Answer : B

41 : The socioeconomic model of social responsibility emphasizes the effect of business decisions on society.

A : true
B : false

Correct Answer : A

42 : Increasing numbers of managers have adopted the socioeconomic model of social responsibility.
A : true
B : false

Correct Answer : A

43 : There are many more socially responsible businesses today than there were ten years ago.
A : true
B : false

Correct Answer : A

44 : In support of their position, proponents of the socioeconomic model argue that businesses should be allowed to ignore social issues.
A : true
B : false

Correct Answer : B

45 : Much consumer-oriented legislation has grown out of the statement of six rights, which became known as the Consumer Bill of Rights.
A : true
B : false

Correct Answer : A

46 : President Franklin D. Roosevelt declared that consumers are entitled to safety, to be informed, to choose, and to be heard.
A : true
B : false

Correct Answer : B

47 : Consumerism consists of all activities undertaken to protect the rights of consumers.
A : true
B : false

Correct Answer : A

48 : The Food and Drug Administrations ability to force businesses making or selling defective products to recall them is most closely related to consumers right to choose.
A : true
B : false

Correct Answer : B

49 : Recently, consumers and the government have been losing an increasing number of

product liability lawsuits against sellers of defective products.
A : true
B : false

Correct Answer : B

50 : One major reason for improving product safety is the consumers demand for safe products.
A : true
B : false

Correct Answer : A

51 : The right to consumer education entitles people to be fully informed about their rights as consumers.
A : true
B : false

Correct Answer : A

52 : The right to service entitles consumers to convenience, courtesy, and responsiveness from manufacturers and sellers of consumer products.
A : true
B : false

Correct Answer : A

53 : Two additional rights added in the last decade are the right to consumer education and the right to courteous service.
A : true
B : false

Correct Answer : A

54 : Manufacturers are not required by law to inform consumers about the potential dangers of using their products.
A : true
B : false

Correct Answer : B

55 : The right to choose means that consumers must have a choice of products offered by different manufacturers and sellers.
A : true
B : false

Correct Answer : A

56 : The lesser the competition, the greater the choice available to consumers.
A : true
B : false

Correct Answer : B

57 : Consumer advocates, such as Ralph Nader, take it upon themselves to protect the rights of consumers.
A : true
B : false

Correct Answer : A

58 : Increasingly, consumer education is becoming a part of high school and college curricula and adult-education programs.
A : true
B : false

Correct Answer : A

59 : Major advances in consumerism have come through federal legislation.
A : true
B : false

Correct Answer : A

60 : An affirmative action program is designed to ensure that minority employees are represented in about the same proportion as their representation within the community.
A : true
B : false

Correct Answer : A

61 : Affirmative action plans encompass all areas of human resources management, including recruiting, hiring, training, promotion, and pay.
A : true
B : false

Correct Answer : A

62 : To achieve affirmative action goals and to remedy past discrimination, hiring quotas are required.
A : true
B : false

Correct Answer : B

63 : The hard-core unemployed are made up of mentally ill individuals and those with prior criminal convictions.
A : true
B : false

Correct Answer : B

64 : The EPA was created by the government to develop new and improved ways to clean and improve the environment.
A : true
B : false

Correct Answer : B

65 : Once they are made aware of the pollution problem, most firms respond rather than waiting to be cited by the EPA.
A : true
B : false

Correct Answer : A

66 : Improved water quality is not only necessary; it is attainable at no cost.
A : true
B : false

Correct Answer : B

67 : Of the three factors mentioned as contributors to air pollution, only the combination of weather and geography cannot be changed.
A : true
B : false

Correct Answer : A

68 : Fortunately, the acid-rain problem has been solved in recent years.
A : true
B : false

Correct Answer : B

69 : Air and water quality may be improving, but land pollution is still a serious problem in many areas.
A : true
B : false

Correct Answer : A

70 : The fundamental issues concerning land pollution are how to restore already contaminated land and how to prevent further contamination.
A : true
B : false

Correct Answer : A

71 : The $1.6 billion Superfund created in 1980 is to be used to develop successful ways of storing land pollutants.
A : true
B : false

Correct Answer : B

72 : People exposed to loud noises for a long time can suffer permanent hearing loss.
A : true
B : false

Correct Answer : A

73 : Negotiated settlements for cleaning up hazardous wastes became known as sweetheart deals because the EPA helped only those companies friendly to them.
A : true
B : false

Correct Answer : B

74 : Consumers will probably pay in large part for cleaning up our environment through increased taxes or increased product costs.
A : true
B : false

Correct Answer : A

75 : A firms social responsibility program will be ineffective if it has less than the total commitment of the companys top business officials.
A : true
B : false

Correct Answer : A

76 : A key step in developing and implementing a social responsibility program is the environmental audit.
A : true
B : false

Correct Answer : B

77 : An effective program for social responsibility takes time, money, and organization.
A : true
B : false

Correct Answer : A

78 : The planning stage of a social responsibility program can involve outside consultants to help develop it.
A : true
B : false

Correct Answer : A

79 : The director of a companys social responsibility program should be a consumer advocate who can express the social issues facing the firm to the organizations management.
A : true
B : false

Correct Answer : B

80 : One way a social responsibility program can be funded is by passing on the cost to the consumer in the form of higher prices.
A : true

B : false

Correct Answer : A

81 : A social responsibility program may be funded by the federal government through tax reductions or other incentives.
A : true
B : false

Correct Answer : A

MULTIPLE CHOICE

82 : Echo Air Company (EAC)Echo Air Co. is a well-known establishment in the airline business. It is currently one of the top firms in the industry. The company prides itself on good customer service and being concerned with the broader societal good. EAC management is not only concerned with doing things right, but also with doing the right things. Many of their decisions reflect this philosophy. Initially, the company had a problem with employees reporting their suspicions about unethical behavior to the press instead of to EAC management. As a result, the company made sure its employees knew the firm s guidelines on fixing ethical issues. EAC also developed a code of conduct based on standards that continue to be upheld within the company. Since the code of conduct has been put in place, there have been fewer ethical violations.Although employee salaries at EAC are not as high as those at competing firms, the company experiences very low employee turnover. The firm has created a corporate culture that not only makes its employees want to stay, but that also results in higher profits. If EAC can maintain the relationship it has built with its employees and customers, it will have little difficulty keeping up its remarkable success.Refer to Echo Air Company. The principles that EAC choose to pride itself on show that the company has
A : a moral minority.
B : cultural diversity.
C : social responsibility.
D : caveat emptor.
E : a social audit.

Correct Answer : C

83 : Echo Air Company (EAC)Echo Air Co. is a well-known establishment in the airline business. It is currently one of the top firms in the industry. The company prides itself on good customer service and being concerned with the broader societal good. EAC management is not only concerned with doing things right, but also with doing the right things. Many of their decisions reflect this philosophy. Initially, the company had a problem with employees reporting their suspicions about unethical behavior to the press instead of to EAC management. As a result, the company made sure its employees knew the firm s guidelines on fixing ethical issues. EAC also developed a code of conduct based on standards that continue to be upheld within the company. Since the code of conduct has been put in place, there have been fewer ethical violations.Although employee salaries at EAC are not as high as those at competing firms, the company experiences very low employee turnover. The firm has created a corporate culture that not only makes its employees want to stay, but that also results in higher profits. If EAC can maintain the relationship it has built with its employees and customers, it will have little difficulty keeping up its remarkable success.Refer to Echo Air Company. Initially, employees were not willing to go to EAC management with ethical issues but would instead report them to the press.

This is an example of
A : whistle-blowing.
B : a social audit.
C : poor employees.
D : opportunity emptor.
E : a narc.

Correct Answer : A

84 : Echo Air Company (EAC)Echo Air Co. is a well-known establishment in the airline business. It is currently one of the top firms in the industry. The company prides itself on good customer service and being concerned with the broader societal good. EAC management is not only concerned with doing things right, but also with doing the right things. Many of their decisions reflect this philosophy. Initially, the company had a problem with employees reporting their suspicions about unethical behavior to the press instead of to EAC management. As a result, the company made sure its employees knew the firm s guidelines on fixing ethical issues. EAC also developed a code of conduct based on standards that continue to be upheld within the company. Since the code of conduct has been put in place, there have been fewer ethical violations.Although employee salaries at EAC are not as high as those at competing firms, the company experiences very low employee turnover. The firm has created a corporate culture that not only makes its employees want to stay, but that also results in higher profits. If EAC can maintain the relationship it has built with its employees and customers, it will have little difficulty keeping up its remarkable success.Refer to Echo Air Company. To fix the ethical issue problems, EAC management should have implemented all of the following guidelines for making ethical decisions except which one?
A : Listen and learn.
B : Identify the ethical issue.
C : Create and analyze options.
D : Create an industry benchmark.
E : Explain your decision and resolve any differences that arise.

Correct Answer : D

85 : Echo Air Company (EAC)Echo Air Co. is a well-known establishment in the airline business. It is currently one of the top firms in the industry. The company prides itself on good customer service and being concerned with the broader societal good. EAC management is not only concerned with doing things right, but also with doing the right things. Many of their decisions reflect this philosophy. Initially, the company had a problem with employees reporting their suspicions about unethical behavior to the press instead of to EAC management. As a result, the company made sure its employees knew the firm s guidelines on fixing ethical issues. EAC also developed a code of conduct based on standards that continue to be upheld within the company. Since the code of conduct has been put in place, there have been fewer ethical violations.Although employee salaries at EAC are not as high as those at competing firms, the company experiences very low employee turnover. The firm has created a corporate culture that not only makes its employees want to stay, but that also results in higher profits. If EAC can maintain the relationship it has built with its employees and customers, it will have little difficulty keeping up its remarkable success.Refer to Echo Air Company. Since the company created its code of conduct, employees have limited ____, or amount of freedom to perform an unethical act.
A : time
B : responsibility
C : moral dilemmas
D : unethical options

E : opportunity

Correct Answer : E

86 : Echo Air Company (EAC)Echo Air Co. is a well-known establishment in the airline business. It is currently one of the top firms in the industry. The company prides itself on good customer service and being concerned with the broader societal good. EAC management is not only concerned with doing things right, but also with doing the right things. Many of their decisions reflect this philosophy. Initially, the company had a problem with employees reporting their suspicions about unethical behavior to the press instead of to EAC management. As a result, the company made sure its employees knew the firm s guidelines on fixing ethical issues. EAC also developed a code of conduct based on standards that continue to be upheld within the company. Since the code of conduct has been put in place, there have been fewer ethical violations.Although employee salaries at EAC are not as high as those at competing firms, the company experiences very low employee turnover. The firm has created a corporate culture that not only makes its employees want to stay, but that also results in higher profits. If EAC can maintain the relationship it has built with its employees and customers, it will have little difficulty keeping up its remarkable success.Refer to Echo Air Company. EACs creation of its code of conduct demonstrated its application of moral standards to business situations, which is also known as
A : moral responsibility.
B : social consciousness.
C : social responsibility.
D : moral consciousness.
E : business ethics.

Correct Answer : E

87 : Manna s CoffeeEun-Sang is a highly respected person within her community. She is Asian in a largely Caucasian-populated area. Since Eun-Sang was looking for a new job, she went to a new company in the area called Manna s Coffee, where she applied for a position. After the interview, Eun-Sang felt confident that she would be hired because of her qualifications. However, she did not get a call back. Initially, Nancy did not think twice about it, but she felt differently when she visited the same coffee store later to purchase something for a friend. The company had hired an inexperienced Caucasian male with a history of unemployment. At this point, Eun-Sang was quite aggravated, but she left the issue alone.She ended up asking an associate for an espresso machine. The employee informed Eun-Sang where the machine was located and retrieved it for her. Eun-Sang asked if there were any other espresso machines of higher quality. When the associate said no, Eun-Sang purchased the item and left. After she gave the gift to her friend, she noticed a much better quality espresso machine that someone else had given her. Eun-Sang asked where they had purchased it, and they responded, "Manna s Coffee."Refer to Mannas Coffee. Eun-Sang is a(n) ____ within her community.
A : outcast
B : active member
C : minority
D : bad influence
E : unethical person

Correct Answer : C

88 : Manna s CoffeeEun-Sang is a highly respected person within her community. She is Asian in a largely Caucasian-populated area. Since Eun-Sang was looking for a new job, she went to a new company in the area called Manna s Coffee, where she applied for a position. After the

interview, Eun-Sang felt confident that she would be hired because of her qualifications. However, she did not get a call back. Initially, Nancy did not think twice about it, but she felt differently when she visited the same coffee store later to purchase something for a friend. The company had hired an inexperienced Caucasian male with a history of unemployment. At this point, Eun-Sang was quite aggravated, but she left the issue alone.She ended up asking an associate for an espresso machine. The employee informed Eun-Sang where the machine was located and retrieved it for her. Eun-Sang asked if there were any other espresso machines of higher quality. When the associate said no, Eun-Sang purchased the item and left. After she gave the gift to her friend, she noticed a much better quality espresso machine that someone else had given her. Eun-Sang asked where they had purchased it, and they responded, "Manna s Coffee."Refer to Mannas Coffee. If Eun-Sang were Caucasian and the company employees were mostly Asian, the way she was treated would be referred to as
A : affirmative action.
B : legal discrimination.
C : simply unethical.
D : reverse discrimination.
E : a perfect match.

Correct Answer : D

89 : Manna s CoffeeEun-Sang is a highly respected person within her community. She is Asian in a largely Caucasian-populated area. Since Eun-Sang was looking for a new job, she went to a new company in the area called Manna s Coffee, where she applied for a position. After the interview, Eun-Sang felt confident that she would be hired because of her qualifications. However, she did not get a call back. Initially, Nancy did not think twice about it, but she felt differently when she visited the same coffee store later to purchase something for a friend. The company had hired an inexperienced Caucasian male with a history of unemployment. At this point, Eun-Sang was quite aggravated, but she left the issue alone.She ended up asking an associate for an espresso machine. The employee informed Eun-Sang where the machine was located and retrieved it for her. Eun-Sang asked if there were any other espresso machines of higher quality. When the associate said no, Eun-Sang purchased the item and left. After she gave the gift to her friend, she noticed a much better quality espresso machine that someone else had given her. Eun-Sang asked where they had purchased it, and they responded, "Manna s Coffee."Refer to Mannas Coffee. Before he got his job, another description for the employee who was hired over Eun-Sang would be
A : hard-core unemployed.
B : minority.
C : whistle-blower.
D : caveat emptor.
E : consumerist.

Correct Answer : A

90 : Manna s CoffeeEun-Sang is a highly respected person within her community. She is Asian in a largely Caucasian-populated area. Since Eun-Sang was looking for a new job, she went to a new company in the area called Manna s Coffee, where she applied for a position. After the interview, Eun-Sang felt confident that she would be hired because of her qualifications. However, she did not get a call back. Initially, Nancy did not think twice about it, but she felt differently when she visited the same coffee store later to purchase something for a friend. The company had hired an inexperienced Caucasian male with a history of unemployment. At this point, Eun-Sang was quite aggravated, but she left the issue alone.She ended up asking an associate for an espresso machine. The employee informed Eun-Sang where the machine was located and retrieved it for her. Eun-Sang asked if there were any other espresso machines of

higher quality. When the associate said no, Eun-Sang purchased the item and left. After she gave the gift to her friend, she noticed a much better quality espresso machine that someone else had given her. Eun-Sang asked where they had purchased it, and they responded, "Manna s Coffee."Refer to Mannas Coffee. Which basic consumer right was infringed when Eun-Sang bought the espresso machine?
A : The right to safety
B : The right to be heard
C : The right to service
D : The right to respect
E : The right to choose

Correct Answer : E

91 : Manna s CoffeeEun-Sang is a highly respected person within her community. She is Asian in a largely Caucasian-populated area. Since Eun-Sang was looking for a new job, she went to a new company in the area called Manna s Coffee, where she applied for a position. After the interview, Eun-Sang felt confident that she would be hired because of her qualifications. However, she did not get a call back. Initially, Nancy did not think twice about it, but she felt differently when she visited the same coffee store later to purchase something for a friend. The company had hired an inexperienced Caucasian male with a history of unemployment. At this point, Eun-Sang was quite aggravated, but she left the issue alone.She ended up asking an associate for an espresso machine. The employee informed Eun-Sang where the machine was located and retrieved it for her. Eun-Sang asked if there were any other espresso machines of higher quality. When the associate said no, Eun-Sang purchased the item and left. After she gave the gift to her friend, she noticed a much better quality espresso machine that someone else had given her. Eun-Sang asked where they had purchased it, and they responded, "Manna s Coffee."Refer to Mannas Coffee. Eun-Sangs right to product options in buying an espresso machine is known as
A : caveat emptor.
B : consumerism.
C : affirmative action.
D : social audit.
E : business ethics.

Correct Answer : B

92 : The Johnson Spring Coal Mine recently discovered that the mine was contaminating the local drinking water. Cleaning up the mine and the surrounding areas would probably bankrupt the mine, causing the loss of hundreds of local jobs, but doing nothing would endanger the health of the community. The mine faces a serious ____ decision.
A : business
B : ethical
C : environmental
D : social responsibility
E : cost

Correct Answer : B

93 : Business ethics
A : is laws and regulations that govern business.
B : is the application of moral standards to business situations.
C : do not vary from one person to another.
D : is most important for advertising agencies.

E : is well-defined rules for appropriate business behavior.

Correct Answer : B

94 : The study of the morality of choices made by people is known as
A : ethics.
B : business ethics.
C : freedom of choice.
D : moral aptitude.
E : standard of behavior.

Correct Answer : A

95 : Kai promised to repair Krystals car on Thursday. After picking up the necessary part at a junkyard, he discovered he could not do the job after all and that the junkyard would not buy back the part. Krystal does not know about these developments. However, she thinks Kai will be finished with her car sometime today. What should Kai do?
A : Try to repair the car even though he does not really know how.
B : Try to repair the car so he can at least get his moneys worth out of it.
C : Call Krystal to inform her of the problem, and recommend a reputable repair shop.
D : Fake an emergency and contact Krystal on Monday.
E : Stall for time to read up on car repairs so he can practice on Krystals car.

Correct Answer : C

96 : Customers expect a firms products to
A : boost sales.
B : be profitable.
C : earn a reasonable return on investment.
D : be available everywhere.
E : be safe, reliable, and reasonably priced.

Correct Answer : E

97 : Investors expect management to do all of the following except
A : consult them on ethical decisions.
B : increase sales.
C : boost the companys profit.
D : increase the return to the investor.
E : make sensible financial decisions.

Correct Answer : A

98 : Robert Mullins is applying for a mortgage to purchase his first home. His credit rating is mediocre due to several late payments on his credit cards and car loan. He is upset because his friend Mark was offered an interest rate 3 percent less than what Robert was offered by the same mortgage company. This mortgage companys actions were
A : unethicalboth Robert and Mark should have been charged the same interest rates, regardless of their credit histories.
B : ethicalthis is just a part of doing business because credit history is an important indicator of future payments.
C : illegalsubjective factors may not be used when determining which credit offers may be extended to certain customers.

D : unethical if Robert is a minority and Mark is not.
E : unethical and illegalcustomers must all be treated the same.

Correct Answer : B

99 : Weight-Gone offers a guaranteed weight loss of 8 pounds in one week without dieting or exercise. Thousands of customers purchase the products and about 200 call in with complaints that the product was ineffective. What action should Weight-Gone take?
A : It should immediately remove its products from the market, fully refund the thousands of customers money, and close its business.
B : It should use persuasive techniques to get the 200 disappointed customers to try the product again each time it fails in order to decrease refunds.
C : It should explain to the customers that they misused the product and try to sell them more of the product.
D : It should discuss the product failure with the customers and then provide them with a full refund of their purchase price.
E : It should ignore the customers complaints and hope they will tire of calling and writing letters.

Correct Answer : D

100 : Harry is a businessperson who works for a successful and admired Fortune 500 company. About how often is Harry likely to encounter ethical issues in the workplace?
A : Once or twice during her career
B : About two to three times per year
C : Approximately once a month
D : Almost every week
E : On a daily basis

Correct Answer : E

101 : Mattel, the maker of Barbie dolls, frequently shows television ads aimed at children on Saturday mornings, when many children are known to watch cartoons. Some of these ads mix cartoon-type animation and real shots of the dolls so that it is sometimes difficult for even an adult to determine what the doll can or cannot do. This most likely represents
A : a conflict of interest.
B : an ethical problem because children may be deceived about what Barbie can do.
C : an ethical concern for many creditors of Mattel.
D : illegal payoffs, if parents are getting more than they actually know they are paying for.
E : that Mattel employees need better working conditions and higher pay.

Correct Answer : B

102 : You are the executive vice president for Netherland Tires. You have the responsibility to locate land for a new distribution center in Mississippi, and you own over 1,000 acres of land near one site in Tupelo. This could create for you
A : a code of ethics.
B : the usual decision-making problems of cost versus benefit to Netherland Tires.
C : a wonderful, ethical opportunity to make a lot of money.
D : an ethical opportunity to move the distribution center to your hometown.
E : a conflict of interest.

Correct Answer : E

103 : Taking credit for others ideas or work or not meeting ones commitments in a mutual agreement are ethical issues concerning
A : fairness and honesty.
B : organizational relationships.
C : conflict of interest.
D : communications.
E : freedom of choice.

Correct Answer : B

104 : In the United States and many other countries, bribes are
A : unethical.
B : ethical only under certain circumstances.
C : uncommon in many foreign countries.
D : economic returns.
E : ethical.

Correct Answer : A

105 : When medical research indicated that a high-fiber diet might help reduce ones risk of colon cancer, a few producers of fiber cereals suggested in their advertisements that if you eat fiber cereal, you will not get cancer. This is an example of
A : an unethical organizational relationship.
B : a conflict of interest.
C : social responsibility.
D : unethical communications.
E : ethical persuasion.

Correct Answer : D

106 : Winners United has a policy that no employees or their family members are eligible to win the big sweepstakes. This policy was likely implemented to
A : shrink the pool of possible winners, which increases each individuals odds of winning.
B : prevent employees from accepting gifts or bribes from other employees.
C : encourage more magazine sales.
D : avoid an apparent conflict of interest.
E : satisfy the families of Winners United employees.

Correct Answer : D

107 : You are the decision maker for purchasing office equipment in your organization. One sales representative privately offers you season tickets to the Texas Rangers if you help him out. This tactic is
A : a corporate discount.
B : a common business practice.
C : a bribe.
D : personal selling.
E : ethical.

Correct Answer : C

108 : A large computer manufacturer forbids its executives and managers from serving as directors or officers for Hewlett-Packard or any other corporations from which it might purchase

component parts. The company is trying to prevent
A : their employees from having other jobs.
B : a conflict of interest.
C : trade secrets from being revealed.
D : losing its executives to other organizations.
E : fairness and honesty.

Correct Answer : B

109 : For health-related companies such as Jenny Craig, Inc., one of the most frequent ethical issues related to communications that they face is
A : deception.
B : providing too much information.
C : seeking FDA approval.
D : experiments on animals.
E : safe packaging.

Correct Answer : A

110 : What specific area of business communications presents ethical questions by sometimes containing false and misleading messages for adults and especially children?
A : Press releases
B : Newspaper articles
C : Consumer Reports rankings
D : Advertising
E : Audited financial reports

Correct Answer : D

111 : The ____ factor affecting ethical behavior includes ones moral values and central attitudes.
A : individual
B : social
C : opportunity
D : moral
E : ethical

Correct Answer : A

112 : At Park Incorporated, employees are allowed one-hour lunches, but it has become common that most stroll back fifteen minutes late every day. The factor affecting the ethical behavior of Parks employees is
A : individual.
B : social.
C : opportunity.
D : code of ethics.
E : whistle-blowing.

Correct Answer : B

113 : All of the following are factors that affect the level of ethical behavior in an organization except
A : individual factors.

B : social factors.
C : opportunity.
D : demographic factors.
E : moral values.

Correct Answer : D

114 : Winn-Dixie, a southeastern grocery store chain, has signs saying that tips are not accepted and employees are all informed of this policy. However, many of the baggers commonly accept tips from customers anyway and they often compare to see who makes the most. The factor affecting the ethical behavior of Winn-Dixies employees is
A : individual.
B : social.
C : opportunity.
D : demographic.
E : internal code.

Correct Answer : B

115 : What are the three sets of factors that influence the standards of behavior in an organization?
A : Organizational norms, circumstances, morals
B : Peer pressure, attitudes, social factors
C : Historical factors, management attitudes, opportunity
D : Opportunity, individual factors, social factors
E : Financial factors, opportunity, morals

Correct Answer : D

116 : At Anthropologie, managerial approval is required whenever an employee makes a purchase at the store using an employee discount. Which factor affecting ethical behavior is Anthropologie seeking to control?
A : Individual
B : Social
C : Moral
D : Circumstantial
E : Opportunity

Correct Answer : E

117 : Will works in a position where there is very little supervision. In fact, although he considers himself ethical, he figures he could go away for a week without anyone noticing. Which general set of factors is most likely to influence Wills ethical behavior?
A : Individual
B : Social
C : Moral
D : Circumstantial
E : Opportunity

Correct Answer : E

118 : If a company deals with violations of its ethical codes ____, the opportunity to be unethical will be reduced.

A : leisurely and lightly
B : firmly and consistently
C : on a case-by-case basis
D : quietly and erratically
E : frequently and severely

Correct Answer : B

119 : Helen Troy walked into her office and found a large, extravagant bouquet on her desk. Before she had time to read the card, her secretary said it was from Mr. Paris at Priam Corporation. The secretary knew Mr. Paris was trying to negotiate a sales deal with the company. Thus, she remarked that the beautiful flowers should help Ms. Troy make her decision. Although Ms. Troy did not know how to respond to Mr. Paris gift, she thought an answer might be in her companys
A : sales procedures.
B : sales manual.
C : employee handbook.
D : code of ethics.
E : sales training tapes.

Correct Answer : D

120 : What is probably the most effective way for a company to encourage ethical behavior?
A : Hire employees who are ethical and in agreement with the companys views.
B : Have ethics training sessions for interested employees.
C : Threaten employees with immediate termination for unethical behavior.
D : Post signs discouraging sexual harassment and discrimination.
E : Develop and enforce a written code of ethics for the organization.

Correct Answer : E

121 : The American Footwear and Apparel Group exerts pressure on its members to comply with the ethical standards of the industry and provides information and benefits for textile companies. This company is an example of a(n)
A : regulatory agency.
B : government agency.
C : trade association.
D : industry organization.
E : membership club.

Correct Answer : C

122 : Intel expects its code of ethics and shared values to provide all of the following benefits except
A : create an outline for ethical policies and standards.
B : encourage employees to value integrity.
C : communicate the companys expectations to the employees.
D : describe what to do in every ethical situation.
E : expect employees to trust one another and use sound judgment.

Correct Answer : D

123 : As a result of the Bhopal incident, in which a toxic gas leak killed thousands of people,

leading officials at Union Carbide have dedicated themselves to operating their business ethically. Ways in which the company can encourage ethical behavior include all of the following except
A : formalizing a corporate code of ethics.
B : encouraging whistle-blowing.
C : holding ethics training sessions.
D : requiring that ethical behavior be profitable.
E : promoting open decision making.

Correct Answer : D

124 : The human resources manager at Fastener, Inc., a manufacturer of office staplers, wants to encourage a more ethical climate in the organization. A likely way for Fastener to do this is to
A : make certain that Fastener has a company code of ethics that is enforced.
B : add an ethics department whose job is to constantly watch employees to be certain they behave.
C : develop a system of security cameras, telephone monitoring, and one-way mirrors to be certain that employees behave appropriately.
D : avoid any mention of ethics to employees so that they will not think unethical thoughts.
E : do none these. All of these practices are illegal because they take away an employees constitutional right of free choice.

Correct Answer : A

125 : Suppose a manager at the Post-it Brand has recently become aware that employees are taking office supplies home and taking longer coffee and lunch breaks than the personnel policy allows. The manager finds these are widespread practices and wants to solve the problem. The best way to do this would be to
A : call the police and arrest both the time thieves and the office supplies thieves.
B : fire all those who have taken office supplies, and suspend those who have taken too much time.
C : change the code of ethics in the personnel policy manual to prohibit these practices.
D : make the corporate culture encourage more ethical behavior.
E : let the union know about the problem during next years pay negotiations.

Correct Answer : D

126 : Fei Alix is an ethics officer at a large financial institution. She likely performs all of the following duties except
A : coordinating ethical conduct.
B : providing advice to employees when they are uncertain.
C : giving top management advice about their decisions.
D : encouraging all employees to be whistle-blowers.
E : determining the punishment for ethical violations.

Correct Answer : D

127 : Which of the following is the most effective way to encourage ethical business behavior?
A : Pass government regulations.
B : Provide guidelines from trade associations.
C : Include an ethics clause in a labor contract.
D : Establish and enforce a corporate code of ethics.
E : Rely on employees to blow the whistle.

Correct Answer : D

128 : Brice stormed into the office, exclaiming, Thats the last straw! Ive experienced unethical behavior at this company one time too many. Ill be calling the press immediately. It appears that Brice is about to engage in
A : an unethical practice.
B : corporate ethics.
C : whistling.
D : trumpeting.
E : whistle-blowing.

Correct Answer : E

129 : Informing the press or government officials about unethical practices within ones organization is called
A : unethical behavior.
B : whistling.
C : whistle-blowing.
D : trumpeting.
E : a company violation.

Correct Answer : C

130 : A whistle-blower is a person who
A : announces the beginning and end of a work shift.
B : praises his or her own accomplishments.
C : does public relations work for a company.
D : accepts responsibility when a company is in trouble with the government.
E : reports illegal or unethical conduct within his or her organization.

Correct Answer : E

131 : When faced with an ethical conflict, a manager should always
A : ask the boss what to do, then do it without question.
B : consider only what is best for the company.
C : look at which decision will make the stockholder the most money today.
D : worry only about what the law has to say, then take legal action because it will produce the least public outcry.
E : think about his or her own ethics; the companys ethics; and the interest of employees, stockholders, and customers.

Correct Answer : E

132 : After consulting her companys code of ethics, Vera is still unsure of whether or not the decision she is about to make is ethical. Which of the following actions would be most appropriate?
A : Ask her husband what she would do in this situation.
B : Calculate the decisions bottom-line impact and do whatever increases profit the most.
C : Determine whether coworkers, suppliers, and customers would approve of the action.
D : Go with her gut feeling because Vera considers herself to be an ethical individual.
E : Avoid making the decision and any other decision with ethical implications.

Correct Answer : C

133 : Which of the following scenarios provides the best example of whistle-blowing?
A : Henry fails to meet his sales quota for the month and is reported to the regional manager for special review.
B : Lysa tells her husband about illegal environmental dumping she suspects her company is doing.
C : James gives an interview on NBCs Dateline about the opportunities available at his company.
D : Jessamine speaks to her boss about how uncomfortable she is with the sexual jokes one of her coworkers frequently tells at the office.
E : Rachel has grown tired of her companys unsafe practices and reports them to OSHA, a governmental agency that regulates safety.

Correct Answer : E

134 : Mark Zuckerbergs Internet.org program that helps bring Internet access to underserved communities in various parts of the world is an example of
A : social responsibility.
B : business ethics.
C : code of ethics.
D : consumerism.
E : affirmative action programs.

Correct Answer : A

135 : The recognition that business activities affect society and the consideration of that impact when making business decisions is referred to as
A : business ethics.
B : corporate ethics.
C : code of ethics.
D : community responsibility.
E : social responsibility.

Correct Answer : E

136 : Social responsibility
A : has little or no associated costs.
B : can be extremely expensive and provides very little benefit to a company.
C : has become less important as businesses become more competitive.
D : is generally a crafty scheme to put competitors out of business.
E : is costly but provides tremendous benefits to society and the business.

Correct Answer : E

137 : Which of the following examples least represents the definition of social responsibility?
A : Home Depot provides resources and volunteers for Habitat for Humanity.
B : GE supports food banks and helps renovate homeless shelters.
C : Military members pledge a portion of their salary to the United Way.
D : Avon donates a portion of its profits to breast cancer research.
E : Sprint supports education, health, and the environment through donations and volunteers.

Correct Answer : C

138 : In 1915, Gracie Phillips, mother of seven, lost her husband in a horrible industrial accident that could have easily been prevented. Soon after, Gracie decided to take legal action against the company. What obstacle did she likely encounter?
A : Although going to court would be relatively inexpensive, Gracie is not very likely to win the case.
B : It is likely that her legal action would result in the closure of the factory, thereby destroying the economy in her town for her friends and relatives.
C : Although Gracie is likely to win such a strong case against the company, she will not be able to afford to go to court.
D : The company responsible is likely to improve its working conditions significantly and make Gracie look like a liar.
E : She will find out that court is very expensive, and her chances of winning are extremely slim.

Correct Answer : E

139 : Tim worked in the steel industry in the early 1900s. Which most likely describes the amount of time Tim worked per week?
A : He was lucky to have the job at all and probably only got to work twenty hours per week.
B : He shared his job with another individual and worked thirty hours per week.
C : He worked a standard week of forty hours.
D : He worked over sixty hours a week.
E : He spent about sixteen hours a day, six days a week at the factory.

Correct Answer : D

140 : Melanie worked at a meat packing plant during the 1920s. What would she have been most surprised to see happening at the plant?
A : Employees earning vacation time
B : Horrible working conditions
C : The organization of labor unions
D : Frequent accidents resulting in injury and death
E : Employees working long hours

Correct Answer : A

141 : Early government regulations prior to 1920 that affected American business include all of the following except the
A : Interstate Commerce Act.
B : Sherman Antitrust Act.
C : Federal Trade Commission.
D : Clayton Antitrust Act.
E : Americans with Disabilities Act.

Correct Answer : E

142 : As far as business is concerned, six of the most important federal laws passed between 1887 and 1914 supported
A : foreign trade.
B : increased production.
C : more competition.
D : elimination of unions.
E : more social responsibility.

Correct Answer : C

143 : Caveat emptor
A : is a French term that implies laissez faire.
B : implies disagreements over peer evaluations.
C : is a Latin phrase meaning let the buyer beware.
D : is a Latin phrase meaning let the seller beware.
E : is a Latin phrase meaning the cave is empty.

Correct Answer : C

144 : Andrea purchases a Blu-ray player at a store that sells refurbished merchandise. The store has a big sign stating Caveat Emptor posted out front and at the cash register. This sign most likely translates to a policy of
A : refunds or exchanges at any time with a receipt.
B : 100 percent satisfaction guaranteed with all merchandise.
C : all sales are final (no refunds or exchanges).
D : buying, selling, or trading electronic goods.
E : selling only French-manufactured products.

Correct Answer : C

145 : Before the 1930s, most government involvement in day-to-day business was aimed at
A : nonpayment of income taxes.
B : discrimination.
C : protection of the free-market system.
D : consumer rights.
E : employment practices of factories.

Correct Answer : C

146 : Each Saturday night, someone in the community called the local police to control the noisy, riotous activity at Ralphs Tavern. However, Mr. Ralph never took action on his own and ignored the problem. Eventually, local residents forced him out of business. Mr. Ralph might be in business today had he
A : been less responsive to the communitys needs.
B : simply reopened his business in the same location.
C : worked more with the community to solve the problem.
D : read all complaint letters over coffee.
E : asked the police to stop bothering him.

Correct Answer : C

147 : Arnold Finn III and his son, father, and grandfather gathered last week to compare notes on the business. Arnolds grandfather started the business in 1928. His father became active in 1947, Arnold in 1965, and his son in 1983. During their conversations, they discovered that many things about the past were similar to conditions today, although others were quite different. For example, after the 1930s,
A : government protection of workers and consumers increased.
B : working conditions were often deplorable by todays standards.
C : there was a period of laissez-faire business conditions.
D : the average work week under the law once exceeded fifty hours.

E : businesses were free to operate pretty much as they chose.

Correct Answer : A

148 : In the first three decades of the twentieth century, working conditions were horrible and dangerous, and abuses were common. Most people of the time believed these abuses would be rectified by
A : strict government action to punish the offenders.
B : a shift to a communist economy.
C : consumer advocacy groups who promoted social responsibility.
D : competition and interaction in the marketplace.
E : returning to a less industrialized society.

Correct Answer : D

149 : Which president led the way in creating programs to improve the working and social conditions in the United States in the 1930s?
A : Theodore Roosevelt
B : Calvin Coolidge
C : Franklin Roosevelt
D : Woodrow Wilson
E : Herbert Hoover

Correct Answer : C

150 : What led most directly to increased government involvement with regulating business and its dealings with society?
A : The Industrial Revolution
B : President Kennedys consumer bill of rights
C : The collapse of the oil industry
D : The Great Depression
E : The end of World War I

Correct Answer : D

151 : With whom does social responsibility of business have to begin?
A : Government
B : Management
C : Consumers
D : Consumer protection groups
E : Society

Correct Answer : B

152 : The manager of a large chain recently spoke to a group of college students about making it in the business world. He focused particularly on the importance of fulfilling the purpose of the business organization: that is, to produce and market profitable products needed by society. In so doing, he indicated that a stockholder, not the society as a whole, invests in a corporation to earn a return on his or her investment and that a firm is legally obligated to act in stockholders interests. What concept do the managers comments reveal?
A : Socioeconomic model of social responsibility
B : Economic model of social responsibility
C : Strictest model of social responsibility

D : Consumerism
E : Rights of employees

Correct Answer : B

153 : The economic model of social responsibility places primary emphasis on
A : quality of life.
B : active government involvement.
C : conservation of natural resources.
D : economic return.
E : the balance of economic return and social return.

Correct Answer : D

154 : The economic model of social responsibility was developed in a period when the primary concern of firms was
A : long-term success and profitability.
B : improving the quality of life.
C : short-run profits and survival.
D : complete customer satisfaction and expansion.
E : having safe and satisfied employees.

Correct Answer : C

155 : The manager of a successful local restaurant believes his responsibilities are to provide delicious meals and excellent service, provide jobs, comply with laws and the IRS, and earn a respectable profit on the restaurant. These are the managers only concerns. What concept does this indicate?
A : Socialism
B : The economic model of social responsibility
C : The socioeconomic model of social responsibility
D : Consumer protectionism
E : A lack of social responsibility

Correct Answer : B

156 : We are busy producing and marketing profitable products for society to enjoy! Now you want us to provide legal services, day-care centers, and counseling for AIDS victims and alcohol and drug abusers. If we do all these things, what role will the government, church, and family play? exclaimed the vice president of Milam Corporation. This managers comments reveal what concept?
A : The socioeconomic model of social responsibility
B : The economic model of social responsibility
C : The strictest model of social responsibility
D : The need to preserve management rights
E : Consumerism

Correct Answer : B

157 : By establishing Ronald McDonald Houses, temporary lodging for individuals with seriously ill family members, McDonalds has committed itself to more than just shareholder wealth maximization. The corporations active role in improving societal conditions suggests that it is responsive to which of the following arguments?

A : Corporate resources should be devoted to maximizing profits, not to solving societys problems.
B : Individual businesses should not be responsible for solving problems that affect all of society.
C : Socially responsible actions by business firms increase the role of government in business.
D : Businesses are ill-equipped to handle todays complex social issues.
E : Social responsibility promotes environmental stability and long-run profitability.

Correct Answer : E

158 : The socioeconomic model of social responsibility places primary emphasis on
A : quality of life.
B : production.
C : economic return.
D : exploitation of natural resources.
E : profit.

Correct Answer : A

159 : You have been asked to complete this years social responsibility report for the insurance industry. Which of the following statements would you include as a valid indication of socially responsible activities in this industry?
A : This year, we sold more insurance policies than in the previous two years.
B : This year marked a 200 percent increase in the number of new insurance products and services available to customers.
C : To date, few women and minorities hold management positions in the insurance industry.
D : This year, more than 300,000 volunteer hours were contributed by companies through loaned executives and release-time (time off) arrangements.
E : Fewer than one-eighth of the companies charitable contributions go to people-related activities.

Correct Answer : D

160 : Which of the following statements reflects the socioeconomic model of social responsibility?
A : I did it my way! Frank Sinatra
B : Its easier and better to ban smoking than to risk multimillion-dollar lawsuits. a university professor
C : Its an absolutely preposterous proposal. The idea that any corporation has the right to reach beyond company gates to what you could even describe as the bedroom of the employee is ridiculous. a spokesperson for the Tobacco Institute
D : In the private sector, employers can get away with quite a bit. an attorney
E : We will not allow our motion pictures to be shown in any movie house in South Africa unless it is fully integrated. the president of United International Pictures Corporation

Correct Answer : E

161 : Stanley, a bank manager, holds the economic model of social responsibility view. What is he most likely to say about the connection between taxes and social responsibility?
A : Because he is a responsible man, he pays his taxes and does not try to cheat the IRS.
B : Although taxes contribute to social welfare, it is only the beginning of his banks responsibility to society.
C : Taxes are a required evil from which he sees very little benefit in his community.

D : By making a profit and paying taxes that meet the needs of society, Stanley has fulfilled his social responsibility.
E : It is better to make a small profit and therefore pay less taxes than to contribute to social responsibility.

Correct Answer : D

162 : Bob, a restaurant supplies and equipment business manager, believes in the economic model of social responsibility. Which of the following would most likely be a quote from Bob in relation to social responsibility?
A : What a waste of time for everyone!
B : I fully support it.
C : That is someone elses job.
D : Its expensive, but worth it.
E : Not in my line of work.

Correct Answer : C

163 : Long-distance providers are becoming increasingly concerned about certain activities within their industry. Various companies come together voluntarily to implement new standards of social responsibility that members must abide by. What seems to be the primary motivation in this case for an increased interest in social responsibility?
A : Because corporations are creations of society, they are responsible for giving back to the communities in which they operate.
B : These companies have realized it is in their best interest to increase their social responsibility before they are once again subject to stricter regulations.
C : These companies are using social responsibility as a means to increase their profitability, both short term and long term.
D : Long-distance providers have started taking pride in their industry and its record for social responsibility.
E : They feel a responsibility to their stockholders, employees, the government, investors, and society as a whole.

Correct Answer : B

164 : Which of the following is an argument for increased social responsibilities?
A : Because business is part of our society, it cannot ignore social issues.
B : Management must be concerned with providing a return on owners investments.
C : Corporate time and money should be used to maximize profits.
D : Individual businesses should not be expected to solve societys problems.
E : Social issues are the responsibility of government officials.

Correct Answer : A

165 : The socioeconomic model of social responsibility
A : holds that society will benefit most when business is left alone to produce and market profitable products.
B : emphasizes that social responsibility is someone elses responsibility.
C : holds that a firm is legally obligated to act in the economic interests of its stockholders.
D : states that managers who concentrate on profit indirectly fulfill their social responsibilities.
E : emphasizes profits as well as the effect of business decisions on society.

Correct Answer : E

166 : Supporters of increased social responsibility would most likely say that the goal of a firm is to
A : maximize shareholders wealth.
B : provide jobs for the community and make a reasonable profit.
C : maximize profits while obeying the law.
D : beat the competition and stay in business.
E : create value and benefits for owners, employees, and society.

Correct Answer : E

167 : All of the following are arguments against increased social responsibility except
A : social issues are the responsibility of government officials elected for that purpose.
B : companies should maximize profits, not solve societys problems, with their time, money, and talent.
C : because social problems affect society in general, businesses should not be expected to solve these problems.
D : social responsibility by firms can prevent increased government intervention.
E : business managers are primarily responsible to stockholders and providing them a good return.

Correct Answer : D

168 : Which of the following best describes the trend in social responsibility models used by companies?
A : Most companies are changing from a socioeconomic approach to an economic approach to social responsibility.
B : There has really been no pattern of change over the last century because most companies take a socioeconomic approach.
C : There has been a sporadic shift back and forth between the economic and socioeconomic model as the best business solution.
D : Relatively little transformation has left the economic model as the philosophy for most businesses.
E : More companies have been bypassing the economic model in favor of the socioeconomic model in recent years.

Correct Answer : E

169 : Which of the following is an argument against social responsibility?
A : Business has resources needed to tackle todays complex social issues.
B : Because business is a part of our society, it cannot ignore social issues.
C : Corporate time, money, and talent should be used to maximize profits.
D : By helping resolve social issues, business can create a more stable environment.
E : Socially responsible decision making by firms can prevent increased government intervention.

Correct Answer : C

170 : Primary emphasis in the economic model of social responsibility is on
A : quality of life.
B : conservation of resources.
C : market-based decisions.
D : production.

E : firms and communitys interests.

Correct Answer : D

171 : Lauren is the assistant manager of a midsized logistics firm. She believes her manager, Roger, has become carried away with supporting nonprofit organizations and encouraging employees to do community service. What argument would Lauren most likely use to turn Roger to her point of view?
A : Socially responsible decision making by firms can prevent increased government regulation.
B : Social problems affect society in general, so it is important to protect our society.
C : The companys time and money should be spent maximizing the owners wealth, not solving societys problems.
D : By contributing to social issues, business will decrease its opportunity for long-run profitability.
E : The logistics business has unique resources that could be used to address serious social issues.

Correct Answer : C

172 : By ensuring that products are safe and reliable, the Food and Drug Administration and the Consumer Product Safety Commission are taking part in a movement known as
A : protectionism.
B : consumerism.
C : product activism.
D : socialism.
E : product liability management.

Correct Answer : B

173 : Which president stated that consumers have the right to safety, to be informed, to choose, and to be heard?
A : Franklin D. Roosevelt
B : Dwight D. Eisenhower
C : Lyndon B. Johnson
D : John F. Kennedy
E : George H. Bush

Correct Answer : D

174 : ____ is all activities undertaken to protect the rights of consumers.
A : Consumerism
B : Bill of rights
C : Lobbying
D : Caveat emptor
E : Protectionism

Correct Answer : A

175 : What two additional rights have been added to Kennedys original Consumer Bill of Rights?
A : Right to choose and right to satisfaction
B : Right to listen and right to education
C : Right to consumer education and right to service

D : Right to service and right to privacy
E : Right to reparation and right to privacy

Correct Answer : C

176 : The Jeep Grand Cherokee was investigated because of reported instances of unintended acceleration. The investigating body concluded that the acceleration was not a result of a system malfunction but was due instead to driver error. However, they also said that the awkward placement of the brake and accelerator pedals was the primary contributor to these driver errors. By designing this part of the Grand Cherokee in an ergonomically inefficient manner, Jeep ignored which of the four basic rights of consumers?
A : The right to be informed
B : The right to choose
C : The right to safety
D : The right to be heard
E : The right to comfort

Correct Answer : C

177 : Whirlpool fails to provide an instruction manual with a certain type of new washing machine. Which basic consumer right does Whirlpools action violate?
A : The right to convenience
B : The right to choose
C : The right to be heard
D : The right to safety
E : The right to courteous service

Correct Answer : D

178 : Amanda decides to try out her new iron on the pesky wrinkles she has on her legs. She suffers rather severe burns and is infuriated with the manufacturer because she feels her right to safety has been violated. Is Amanda correct?
A : Yes, the right to safety implies that a customer will never be injured by a product.
B : Yes, the iron should have been recalled when this defect was first discovered.
C : No, products must be safe for their intended use, and Amandas experiment was clearly beyond the intended use.
D : No, as long as the instructions mentioned that when ironing skin burns sometimes occur, they are not to blame.
E : No, the company instead violated her right to choose.

Correct Answer : C

179 : MasterCard sends a customer a memo that discloses the true cost of borrowing with each billing statement. It does this because it realizes that the customer has the right to
A : choose.
B : obtain credit.
C : be heard.
D : be informed.
E : safety.

Correct Answer : D

180 : The motion picture industry uses a rating system to describe the content of its movies.

Movies are accompanied by ratings such as PG (parental guidance suggested) or R (not suitable for those under 17). This rating system satisfies consumers right to
A : be heard.
B : safety.
C : be informed.
D : censorship.
E : watch what they want to watch.

Correct Answer : C

181 : A credit card company is offering an annual percentage rate of 3.9 percent. However, the company fails to mention that this is an introductory rate, and when consumers receive their bills after six months the rate increases to 21.9 percent. The consumers feel their right to ____ has been abused.
A : be treated fairly
B : be informed
C : safety
D : be heard
E : service

Correct Answer : B

182 : One reason American business must be concerned about product safety is that
A : labor unions will demand better contracts.
B : the government will increase its requirements for disclosure.
C : consumers demand safe products.
D : companies will be banned from competing.
E : limitations will be placed on the sale of products.

Correct Answer : C

183 : Product labels on detergent that indicate ingredients and laundering methods are examples of which provision of Kennedys Consumer Bill of Rights?
A : The right to be heard
B : The right to choose
C : The right to purchase
D : The right to be informed
E : The right to safety

Correct Answer : D

184 : Wonder Bread advertised that its bread builds strong bodies. This claim was considered deceptive and thus a violation of the consumers right to ____. The claim was a violation not because it was untrue but because the same claim was true of other breads, and people seeing the advertisement might have thought that Wonder Bread was unique.
A : safety
B : be heard
C : be informed
D : choose
E : life

Correct Answer : C

185 : An instruction pamphlet detailing steps for the care and use of a new electric appliance would fulfill which provisions of Kennedys Consumer Bill of Rights?
A : The right to safety and the right to be informed
B : The right to be instructed and the right to safety
C : The right to be aware and the right to choose
D : The right to choose and the right to vote
E : The right to be heard and the right to sue

Correct Answer : A

186 : The statement Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health supports the consumers rights to
A : safety and to be informed.
B : life and to be informed.
C : choose and to safety.
D : work and to be informed.
E : safety and to be heard.

Correct Answer : A

187 : Citizens have a right to demonstrate against unfair rate increases and safety violations as well as other issues. In doing so, they exercise their right to
A : be heard.
B : be informed.
C : safety.
D : choose.
E : vote.

Correct Answer : A

188 : Bill had a problem with a coffee maker he purchased recently. He has been trying for days to speak with the company by calling its toll-free number, but it rings forever or sends him through a long menu with no opportunity to speak to an individual or to leave a message. Steve feels his basic consumer right to ____ has been violated.
A : safety
B : be informed
C : be heard
D : choose
E : privacy

Correct Answer : C

189 : In 2017, the Fiesta, a subcompact car manufactured by Ford, was known to catch on fire when rear-ended, even at inner-city speeds. This stripped consumers of their right to
A : choose.
B : be informed.
C : be protected.
D : be heard.
E : safety.

Correct Answer : E

190 : When Ford discovered the fault with its Fiesta model that caused the car to explode easily

when hit from the rear, what action should it have taken to preserve basic consumer rights?
A : Ford should have performed a cost benefit analysis to determine whether it would save more money by doing nothing or by rectifying the problem.
B : Ford should have launched a campaign warning consumers of the defect so they would avoid getting in accidents.
C : Ford should have warned consumers of the explosions, recalled all of the defective automobiles, and corrected the problem.
D : Ford should have quietly ignored the problem and phased the Fiesta out of its automobile lineup.
E : Ford should have redesigned the automobile to make it safer for consumers in the future.

Correct Answer : C

191 : If Casio were to buy out all other calculator manufacturers, what consumer right would be at stake?
A : The right to choose
B : The right to be heard
C : The right to safety
D : The right to service
E : The right to be informed

Correct Answer : A

192 : Erica buys a new pillow and rips off the manufacturers tag. She then reads the tag and is amused at its warning that, under penalty of law, the tag should not be removed and the pillow could cause suffocation. What consumer right is the manufacturer guarding against?
A : The right to consumer education
B : The right to choose
C : The right to be informed
D : The right to be heard
E : The right to courteous service

Correct Answer : C

193 : What does the government encourage in order to protect the consumers right to choose?
A : Competition
B : Monopolies
C : Trust laws
D : Divestitures
E : Cooperation

Correct Answer : A

194 : The right to be heard implies that companies should listen to consumer complaints and
A : thank them for their time.
B : give them a full refund.
C : do whatever the consumer requests.
D : do nothingjust listening is enough.
E : take appropriate action.

Correct Answer : E

195 : Wilmas new necklace breaks the day after she purchases it. She tries to get it fixed or

replaced and feels that she has been given the runaround by both the retailer and the manufacturer of the necklace. She is treated rudely and finally told she will have to drive two hours to a company-approved repair center to have the necklace fixed. Wilma is certain that her consumer right to ____ has been ignored by both companies.
A : be heard
B : safety
C : be informed
D : service
E : consumer education

Correct Answer : D

196 : When DVD players were first introduced, the price was very high, thereby preventing the average consumer from purchasing one. Today, however, as a result of increased competition in the market, most consumers can afford one because they are significantly cheaper. By reducing the price of these products and ensuring a large number of product offerings, competition has promoted consumers right to
A : inexpensive products.
B : be informed.
C : be heard.
D : quality products.
E : choose.

Correct Answer : E

197 : Which president stated that consumers have the right to consumer education?
A : Franklin D. Roosevelt
B : John F. Kennedy
C : Lyndon B. Johnson
D : Gerald R. Ford
E : Bill Clinton

Correct Answer : D

198 : Which president stated that consumers have the right to service?
A : Franklin D. Roosevelt
B : John F. Kennedy
C : Lyndon B. Johnson
D : Gerald R. Ford
E : Bill Clinton

Correct Answer : E

199 : The major forces in consumerism are
A : individual consumer advocates.
B : consumer organizations.
C : consumer education programs.
D : consumer laws.
E : all of these answer choices

Correct Answer : E

200 : Karen registers for a consumer education course at her high school. She is likely to learn

about all of the following topics except
A : how to prepare for a successful job interview.
B : what to consider when purchasing a car.
C : the provisions of consumer protection laws.
D : the available sources of consumer information.
E : Kennedys Consumer Bill of Rights.

Correct Answer : A

201 : Major advances in consumerism have come through
A : federal legislation.
B : state legislation.
C : local legislation.
D : business firms.
E : trade organizations.

Correct Answer : A

202 : You were hired as a television anchorwoman this year. After a few months your supervisor demoted you because you were said to be too old, unattractive, and not deferential enough to men. You believe this supervisor has violated your right to
A : safety and security.
B : be heard.
C : be informed.
D : life.
E : equal treatment in the workplace.

Correct Answer : E

203 : A plan designed to increase the number of minority employees within an organization is known as
A : the Fair Labor Standards Act.
B : the Equal Employment Opportunity Commission.
C : the Better Business Bureau.
D : an affirmative action program.
E : the Clayton Act.

Correct Answer : D

204 : In 2001, Deborah Williams was fired from her sales clerks job at the Walgreens store in North Mall after refusing to work on Sundays. The Christian Reformed Church, of which she was a member, prohibited working on Sunday. Therefore, she did not go to work on those days even though she was scheduled to do so. Ms. Williams filed a lawsuit against the company because she felt her rights had been violated. Which rights were violated?
A : The rights to be heard and to work
B : The rights to safety and to be informed
C : The rights to be informed and to be heard
D : The rights to life and to work
E : The rights to equal treatment in the workplace

Correct Answer : E

205 : Which of the following accurately describes the objective of affirmative action?

A : If 30 percent of the local population is Hispanic, then 30 percent of a companys engineers should be Hispanic.
B : If 55 percent of the local population is female, then 55 percent of all companies employees should be female throughout all levels of the organizations.
C : If 20 percent of the engineers in the local area are African American, then a company should have about 20 percent African American employees on its engineering staff.
D : If 40 percent of the engineers available locally are African American, then a company should have about 1 out of 10 African American engineers.
E : If 40 percent of the local population is Hispanic, the school systems should have 40 percent Hispanic teachers.

Correct Answer : C

206 : One problem affirmative action programs have encountered is
A : that not all businesspeople favor such programs.
B : identification of minority groups.
C : the governments reclassification of groups.
D : completing the required paperwork.
E : training the hard-core unemployed.

Correct Answer : A

207 : A government agency with the power to investigate complaints of discrimination and to sue firms practicing employment discrimination is known as the
A : Better Business Bureau.
B : Congress.
C : Civil Service Commission.
D : Equal Employment Opportunity Commission.
E : Interstate Commerce Commission.

Correct Answer : D

208 : What have the courts ruled about quotas as a part of affirmative action programs?
A : Courts have confirmed their usefulness in correcting past failures.
B : Courts have restricted the use of quotas to certain occupations with severe obstacles to overcome.
C : Courts have ruled the quotas unconstitutional and condemned companies for using them.
D : Courts have supported the use of quotas on a wide basis throughout the United States.
E : Courts have ruled quotas unconstitutional but commended their purpose.

Correct Answer : E

209 : Historically a discrepancy exists between the pay for women and men of equal qualifications. Which statement most accurately describes this inequality?
A : Although the pay discrepancy between men and women used to be quite large, it is nonexistent today.
B : Despite threats of legal action, women still make significantly less than men of equal background.
C : So much has been done to correct this discrepancy that women, on average, earn more than men of equal qualifications.
D : The discrepancy in pay has shifted back and forth the last three decades; that is, sometimes women are paid more and sometimes men are paid more.
E : Women and men of equal qualifications have, for the past two decades, made approximately

the same amount of money from similar occupations.

Correct Answer : B

210 : What are the two major problems that affirmative action programs have faced?
A : Quotas and lack of acceptance by some businesspeople
B : Unrealistic expectations and strict enforcement
C : Lack of enforcement and lack of acceptance
D : Reverse discrimination and lawsuits
E : Quotas and the EEOC

Correct Answer : A

211 : Stacey believes her company has discriminated against her because her minority coworkers, who are less qualified, have been promoted ahead of her. Which agency should Stacey contact?
A : Consumer Financial Protection Agency
B : Affirmative Action Council
C : Equal Employment Opportunity Commission
D : Federal Trade Commission
E : Fair Employment Practices Agency

Correct Answer : C

212 : Nathaniel Phillips dropped out of high school the day he turned sixteen. Over the next seven years he had brief employment at McDonalds and a lawn mowing business. Nathaniel could be classified as
A : a juvenile delinquent.
B : terminally unemployable.
C : a moocher.
D : hard-core unemployed.
E : a minority.

Correct Answer : D

213 : When people in an industrialized society contaminate the environment, the action is called
A : wasteful.
B : recycling.
C : redesign.
D : disposal.
E : pollution.

Correct Answer : E

214 : The federal act which provided over $7 billion to the EPA to protect and promote green jobs and a healthier environment is the
A : National Environmental Policy Act.
B : Resource Recovery Alliance.
C : Resource Conservation and Recovery Act.
D : American Recovery and Reinvestment Act.
E : Clean Air Act Amendment.

Correct Answer : D

215 : The federal agency charged with enforcing laws to protect the environment is the
A : National Environmental Commission.
B : Resource Recovery Alliance.
C : Pollution Control Committee.
D : Environmental Protection Agency.
E : Clean Air Agency.

Correct Answer : D

216 : Over the past several decades, concern for the environment has
A : been relatively steady because people expect to live in a clean and safe environment.
B : increased significantly because pollution became a threat to life and health.
C : been carefully handled by businesses because they are the primary source of pollutants.
D : become stronger in the United States but not yet in the rest of the world.
E : decreased because todays industrialized processes are naturally more environmentally friendly.

Correct Answer : B

217 : April, a recent college graduate, has always been concerned about protecting the environment and now hopes to play a major role in seeing that legislation for protecting the environment is enforced. With whom should April seek employment?
A : A large, environmentally friendly corporation
B : The Equal Employment Opportunity Commission
C : The Environmental Protection Agency
D : A recycling center
E : The Commission for Cleaner Air

Correct Answer : C

218 : HGR Chemical Company believes the environmental regulations for its industry are much more stringent than necessary, which likely means
A : they are impossible to comply with.
B : they will not improve the quality of the drinking water.
C : they are unfair to chemical plants.
D : they are too expensive to comply with.
E : HGR is not concerned with the environment.

Correct Answer : D

219 : The law that established the Environmental Protection Agency was the
A : National Environmental Policy Act of 1970.
B : Clean Air Amendment of 1970.
C : Resource Recovery Act of 1970.
D : Resource Conservation and Recovery Act of 1984.
E : Clean Air Act Amendment of 1977.

Correct Answer : A

220 : Residents around Lake Gunter have been warned not to drink their water because it contains some unknown chemical contaminant that could be harmful. What is this called?
A : Pollution

B : Negligence
C : Carelessness
D : Recovery
E : Biological disaster

Correct Answer : A

221 : Which of the following is the most important legislation in improving the condition of U.S. waters?
A : National Environmental Policy Act
B : Clean Water Act
C : Water Quality Improvement Act
D : Water Pollution Control Act
E : Resource Conservation and Recovery Act

Correct Answer : B

222 : The governments of the United States and Canada have recently signed an agreement to cooperate in eliminating acid rain. Their efforts are primarily an attempt to reduce
A : water pollution.
B : hazardous waste.
C : noise pollution.
D : land pollution.
E : northern precipitation.

Correct Answer : A

223 : When sulfur emitted by smokestacks combines with moisture in the atmosphere to form acids that are spread by the wind, _____ results.
A : air pollution
B : fire
C : acid rain
D : emissions
E : wet pollution

Correct Answer : C

224 : What is the major source of human emissions of air pollution in the upper atmosphere?
A : Aircraft
B : Automobiles
C : Acid rain
D : Volcanoes
E : Factories

Correct Answer : A

225 : What specific gas is internationally considered a top concern for air pollution?
A : Carbon monoxide
B : Nitrogen dioxide
C : Carbon dioxide
D : Greenhouse gas
E : Hydrogen monoxide

Correct Answer : C

226 : Maria drives a four-door sedan to work and other places every day. How does her car affect the environment now compared to a similar car thirty years ago?
A : A car is a car, so the environmental impact is likely the same.
B : Her car is more economical today than it would have been thirty years ago.
C : There are so many cars today that air pollution laws are nearly worthless.
D : Todays car has a pollution-control device that reduces harmful emissions.
E : Technology now produces cars that are completely harmless to the environment.

Correct Answer : D

227 : Which type of pollution has seen the least improvement since environmental issues became important?
A : Land
B : Air
C : Ocean
D : Water
E : Factory

Correct Answer : A

228 : Paula has noticed that the airport in her city is away from where most people live and work, and it takes a while to get there. This location was probably strategically designed to reduce
A : air pollution.
B : noise pollution.
C : highway traffic.
D : air traffic.
E : land pollution.

Correct Answer : B

229 : Derek lives in Phoenix where he hears almost daily reports about the high levels of ozone along with suggestions on when individuals should purchase gasoline. As he views the hazy condition in the sky, he decides the government is basically ignoring environmental problems. Which statement best describes the governments involvement?
A : The government relies mostly on businesses to control various types of pollution and expects them to cover the costs.
B : Although the government has established several environmental agencies, actual spending on reducing pollution is only about $100 million per year.
C : The government is delegating most of the responsibility for a cleaner environment to individuals and nonprofit organizations.
D : The government is encouraging technology that will eliminate pollution but not supporting this research financially.
E : The government is spending several billions of dollars a year to reduce various types of pollution.

Correct Answer : E

230 : A major way technology affects land pollution is the potential for
A : worsening the problem.
B : creating resource scarcity.

C : decreasing pollution problems.
D : exploitation.
E : increasing pollution control.

Correct Answer : A

231 : Noise pollution can be reduced by
A : cleaning up land polluted with chemicals and industrial waste.
B : modifying machinery and equipment.
C : banning strip-mining of coal.
D : nonselective cutting of forests.
E : the development of agricultural land for housing and industry.

Correct Answer : B

232 : Residents living near Los Angeles International Airport complained to the city that the airport was guilty of _____ pollution.
A : land
B : noise
C : air
D : water
E : business

Correct Answer : B

233 : The Noise Control Act of 1972 established noise emission standards for all of the following except
A : aircraft.
B : airports.
C : railroads.
D : intracity cab services.
E : interstate motor carriers.

Correct Answer : D

234 : Zach is an environmentalist with very strong beliefs about who should pay for environmental cleanup. What is most likely to be Zachs view?
A : He believes that tax money should be used for environmental cleanup because everyone contributes to pollution.
B : He feels that there should be a governmental tax imposed on every item to cover the cost of its pollution.
C : He feels that individuals, not businesses, should foot the bill for environmental cleanup because individuals are the ones who benefit.
D : He feels environmental costs are a part of doing business, which should be paid by businesses and in turn by higher prices for consumers.
E : He believes those who are concerned about the environment and pollution should pay the costs.

Correct Answer : D

235 : A program to implement social responsibility in business begins with
A : total commitment of top management.
B : careful planning.

C : appointment of a director.
D : a board of directors meeting.
E : conducting a social audit.

Correct Answer : A

236 : Babkok Corporation set up an effective program for social responsibility. Its top managers developed a policy statement outlining key areas of concern. This statement will serve as a guide for other employees as they become involved in the program. Now
A : a committee of managers should be appointed to plan the program.
B : employees should be appointed to submit suggestions to management.
C : a top-level executive should be appointed to direct implementation of the program.
D : employees should evaluate the program.
E : the program director should prepare a social audit for the firm at specified intervals.

Correct Answer : A

237 : Which of the following is not one of the steps in developing and implementing a program of social responsibility?
A : Planning
B : The social audit
C : Commitment of employees
D : Appointment of a director
E : Commitment of top executives

Correct Answer : C

238 : Drew is in charge of writing a report for his company that talks about the quality and safety of his companys products, business practices, involvement in the community, human resources, and efforts to reduce pollution. This is called a(n)
A : ethics report.
B : social audit.
C : compliance review.
D : responsibility policy.
E : citizenship report.

Correct Answer : B

239 : A social audit is a
A : review of the costs of operating a social program.
B : report of what a business has done and is doing about social issues.
C : review of a tax statement by the Internal Revenue Service.
D : review of managements social activity for the year.
E : report filed by social sector accountants.

Correct Answer : B

240 : The company you work for recently has committed itself to implementing a program of social responsibility. After the company has gotten the commitment of top executives, planned the program, and appointed a program director, you suggest that a(n) ____ be prepared periodically to evaluate the success of the program.
A : research report
B : social audit

C : ethics evaluation
D : departmental memorandum
E : social actions report

Correct Answer : B

241 : Copley Pharmaceutical, Inc. recently pled guilty to federal criminal charges for falsifying drug manufacturers reports to the Food and Drug Administration. This is an example of a company that failed to exercise proper _____.
A : business ethics.
B : laissez-faire.
C : recordkeeping.
D : monetary policies.

Correct Answer : A

242 : Marilyn, age 25, has set a personal goal of being vice president of ABX Corp. by the time she is 32. She has determined that nothing will stand in her way of her goal. She hears that the president of ABX Corp. is engaged in a business enterprise with the president of a competitor that is a conflict of interest with his role of president. She reports the business relationship to the press anonymously. Upon hearing the news, the board of directors of ABX Corp. calls a special meeting to investigate the charges. Finding them to be true, they terminate the president and promote the existing vice president to president and Marilyn to vice president. What individual factor most affected Marilyns ethical decision?
A : Personal goals.
B : Personal values.
C : Individual knowledge of an issue.
D : Cultural norms.

Correct Answer : A

243 : Fernanda has worked with her officemates for two years. When she started working she was very careful to return from every break on time and to keep meticulous track of her time. Over the last month she has spent more time at breaks with her colleagues who encourage her to write down the proper amount of time for the break regardless of how long they were away from their workstations. Everyone does it, one of her colleagues said, and the others agreed. Fernanda does as her colleagues have told her to do. What social factor(s) have affected her ethics?
A : Co-workers.
B : Co-workers and personal values.
C : Significant others and co-workers.
D : Co-workers and cultural norms.

Correct Answer : A

244 : Legislation requires that all non-salaried employees who work more than 40 hours a week be paid over-time for the week. This legislation is an example of
A : governments role in encouraging ethics.
B : trade associations role in encouraging ethics.
C : individual companies role in encouraging ethics.
D : personal application of ethics.

Correct Answer : A

245 : Starbucks investigates coffee bean growing regions and before it contracts to buy the beans from local growers, sets up clinics to inoculate residents from diseases in the area, provides sources of clean water for the villages, and otherwise works to improve the standard of living for the residents. This is an example of the company acting on its perception of its
A : social responsibility.
B : personal responsibility.
C : way to improve profits.
D : need for better public relations.

Correct Answer : A

246 : During the first quarter of the 20th century, consumers were responsible for any losses they suffered due to a defective product they purchased. This is because the doctrine of ___ was applied in business transactions.
A : caveat emptor
B : caravan emperor
C : caveat empty
D : emperor penguin

Correct Answer : A

247 : The economic model of social responsibility holds that society will benefit most when business is left alone to produce and market profitable products that society needs. This economic model is based on the notion that
A : social responsibility is someone elses job.
B : social responsibility is a privilege and duty of every business.
C : social responsibility is a burden but should nonetheless be undertaken.
D : social responsibility brings great benefits to the business that undertakes to act on it.

Correct Answer : A

248 : Jack, president of a national stationery store, believes that the business has a responsibility not only to stockholders but also to customers, employees, suppliers, and the general public. Jack subscribes to the _____ of social responsibility.
A : socioeconomic model
B : economic model
C : personal model
D : stakeholder model

Correct Answer : A

249 : Proponents of the socioeconomic model of social responsibility make all of the following arguments to support their position except
A : by being social responsible the company will make more money.
B : being socially responsible is important because the business has the technical, financial, and managerial resources needed to tackle todays complex social issues.
C : by helping resolve social issues, businesses can create a more stable environment for long-term profitability.
D : socially responsible decision making by firms can prevent increased government interventions, which would force businesses to do what they fail to do voluntarily.

Correct Answer : A

250 : Firms have routinely turned down work to individuals with little education or vocational training and a long history of unemployment. These people are known as
A : hard-core unemployed.
B : under-employed.
C : college students.
D : children.

Correct Answer : A

251 : Jeremy owns a muffler shop in a large city. He provides services such as muffler repair, replacement, and minor car repair work. Last week Harold came into his business driving a 1957 Belair Convertible and told Jeremy that he wanted to convert it to a street-rod. He asked Jeremy if he would adjust the muffler so it would emit 125 decibels to give it a muscle sound. Harold told Jeremy he would pay an extra $1,000 in cash to get the work done. The legal limit for exhaust system noise is 95 decibels. Jeremy could do the work in a few hours and knows that no one would know that it came from his shop. His business has been slow lately and he is having a difficult time meeting his financial obligations; in addition, his son was just diagnosed with cancer. Which of the following is most correct regarding Jeremys decision?
A : Jeremy must make a decision that will impact society.
B : Jeremy is facing a moral, legal, and ethical decision.
C : Jeremy must make a decision that will impact him, personally.
D : Jeremy has no decision to make, he must comply with the law.

Correct Answer : B

252 : Tina is a real estate broker who has been asked to sell a property by a client. The property is exactly what she has wanted for herself. She knows the seller is unaware of the value of the property and is relying on her to make the best decision. She knows if she markets it aggressively, she can get several thousand dollars more for the property than the seller is asking. Tina talks to her son and asks him to buy the property in his name, with her funds, and to transfer the property to her after the transaction is completed. She contacts her client and tells him she has a buyer ready who is offering to purchase the property for a thousand dollars over the listing price. The seller agrees to the sale unaware of the other issues involved. As it relates to the topic of this chapter, which of the following best describes Tinas actions?
A : Tina has sacrificed a thousand dollars more than she needed to pay for the property.
B : Tina has no ethical issues because the seller received more money in the transaction than the listing price.
C : Tina has knowingly engaged in a conflict of interest.
D : Tina helped her client enter a transaction in which everyone benefitted.

Correct Answer : C

253 : Hermes is an immigrant from a country in which it is a normal business practice to give a gratuity to a government employee responsible for recording documents. When he goes to the county recorder to record a tract map for his employer, he offers a gratuity to the agent who is handling the transaction. The agent declines the gift and tells Hermes that what he has done is unethical and he has just committed a crime. Hermes is confused since he wasnt asking the agent to do anything special for himhe was just recording the tract map. Which of the following statements is the best advice you could give Hermes in light of this situation.
A : Hermes, you have fallen victim to social factors that affect ethical behavior. In your country, it was the cultural norm to offer a gratuity to a recording agent; in this country, that is not the case.
B : Hermes, you have fallen victim to social factors that affect ethical behavior. Frequently the

values and attitudes of significant others, affect how one acts.
C : Hermes, you have fallen victim to social factors that affect ethical behavior. The actions and decisions of co-workers often affect ethical behavior. The next time you have a question about what you should do, ask me.
D : Hermes, the moral values of your spouse, friends, and relatives have most likely negatively impacted your perception of what is ethical and unethical behavior in the workplace, the next time you are in doubt about what to do, ask me.

Correct Answer : A

254 : XYZ Association, a carpenters trade union, adopts guidelines intended to curtail questionable and pervasive activity by its members. Which of the following statements is true about the relationship between XYZ and its members?
A : XYZ Association may exert pressure on members to stop engaging in questionable business practices that may harm all firms in the industry, but their pressure is ineffectual.
B : Because trade associations exist for the benefit of their members, any measure XYZ takes will benefit the members and the association.
C : XYZ may make rules to govern its members, but it has no means to enforce them.
D : XYZ may make codes of ethics and rules to govern their members but it must also make sure that these codes and rules do not breach antitrust laws.

Correct Answer : D

255 : Betsys Clothiers, a dress factory in Boston since 1927, had 100 employees working in her dress-making factory. Many of the employees are women and children who work long hours. She rotates shifts throughout the day so employees do not do the same tasks throughout the entire day. She discovered that this makes it possible for the children to work longer and harder. She also allows employees to take a 15-minute lunch break and two breaks during the day to use the restroom. One of her employees, a ten-year-old named Sam, has complained that it is too cold in the factory to work in the winter and too hot to work in the summer and that 15 minutes is an insufficient amount of time to eat lunch. He has reported Betsys Clothiers to the mayor and asked that he intervene on behalf of the employees at the factory. Which of the following statements was true about government regulation of businesses prior to 1930 and how this regulatory scheme will affect Sam?
A : Government agencies published accounts of consumers grievances and held sellers accountable for their actions so it is likely Sams story will be heard and acted on.
B : Government will probably not interfere because it only became involved in obvious abuse of the free-market system.
C : It was not widely believed that competition would correct abuses in the business marketplace so intervention will be immediate and swift.
D : Government frequently became involved in the day-to-day activities of businesses so this company should have expected government regulators to intervene in this situation.

Correct Answer : B

256 : Glenn bought a ladder at the local hardware store. He took it home and read the instructions then set it up by following the instructions and the diagrams on the ladder itself. The ladder had been tested by the manufacturer for quality and reliability. He used it several times over the next year, becoming more comfortable with using it each time. The last time he used it, he was painting the eves of his house and, while stretching to reach a corner, the brace on the ladder gave way causing him to fall to the ground and break his leg. Which of the basic consumer rights was violated by the ladder company?
A : The right to safety

B : The right to be informed
C : The right to choose
D : The right to be heard

Correct Answer : A

257 : Alpha College would like to increase the number of minority employees at all levels within the organization. It would like to do this to ensure that minorities are represented within the organization in approximately the same proportion as in the surrounding community. Which of the following would accomplish these goals?
A : Alpha considers minority applicants for job openings until it meets the number of minority members it has determined it should hire.
B : Alpha pledges to recruit and hire a certain number of minority members by a specific date.
C : Alpha can institute a program that recruits more heavily in minority areas with the goal that they will receive more qualified minority applicants.
D : Alpha can write the job description in such a way that only minority applicants of a particular race will qualify for positions.

Correct Answer : C

258 : Through a combination of direct generation and credits, the City of Las Vegas is powering streetlights and more than 140 municipal buildings and facilities with renewable sources. In addition to the city governments efforts, the casinos in Las Vegas donate food waste from the restaurants to a local pig farm. Which of the following is the most accurate description of the environmental efforts taken by the City of Las Vegas and the casinos there?
A : The casinos are saving money by not having to throw away uneaten food.
B : The desert City of Las Vegas is striving to use greener forms of power and the casinos are demonstrating their economical consciousness by feeding pigs.
C : The city is only giving the appearance of using alternate energy resources because using energy credits still gives the city the right to use fossil fuels.
D : The city government of Las Vegas is engaged in using alternate energy resources to power municipal buildings and street lights while the casinos are engaged in recycling food waste

Correct Answer : D

259 : Deja is CEO of Elite Feet, a shoe company that caters to a high-end market, she knows that her clientele will be impressed if the company develops socially responsible programs and that doing so is good for the environment and for the company. She is unsure what she needs to do to start the program and comes to you for advice. What are the three primary things Deja will need to do to have an effective socially responsible program at Elite Feet?
A : She needs to be totally committed along with the rest of the top management of the company; in addition, she should plan the program carefully and appoint a capable director to implement the program.
B : She should research programs that other shoe companies do and copy them.
C : She should make sure the employees are totally committed to the program before it is implemented and audit their performance regularly to be sure they are following through on program goals.
D : She should ensure that the program is relevant, modern, and has many aspects that can be used to promote the company and develop a following.

Correct Answer : A

260 : Kerrigan Motors of Duluth has a large stack of used tires behind its tire department. Tom

Kerrigan would like to do something with them that will permit them to be permanently removed from his premises but will not injure the environment or pass the problem of their disposal along to another company. He comes to you for advice about what to do with the tires and you think of four ways to resolve his problem. Which of the following possible resolutions of his problem is most environmentally friendly?
A : Take them out to an open field and set them on fire so they are entirely disintegrated and no longer an eye-sore. The chemicals in them will be broken down in the atmosphere and they can evolve into something useful.
B : Sell them as used tires so they can be used a little longer before being discarded, or recycle them so they can be used for other things like playground flooring.
C : Set them on posts along the freeway side of his property as a traffic barrier that will stop cars that may leave the freeway road surface: They will be capable of absorbing some of the impact from the vehicles striking the posts.
D : Donate them to charity so they are removed from the property and the charity can determine the best use for them.

Correct Answer : B

ESSAY

261 : Define business ethics.

Correct Answer : Ethics is the study of right and wrong and of the morality of the choices individuals make. Business ethics, more specifically defined, is the application of moral standards to business situations.

262 : Why are fairness and honesty in business important ethical concerns? Give examples.

Correct Answer : Fairness and honesty in business are considered as two important ethical concerns. In addition to obeying all laws and regulations, businesspeople are expected to refrain from knowingly deceiving, misrepresenting, or intimidating others. The PricewaterhouseCoopers LLP and Anderson’s Ark and Associates cases prove that the lack of fairness and honesty also is an expensive proposition.

263 : What are the major ethical issues businesspeople face?

Correct Answer : Challenges to being fair and honest, temptations of placing personal welfare above the welfare of the organization, and conflicts of interest are among common ethical issues that businesspeople may regularly face. Business communications, especially advertising, can also present ethical questions for employees within organizations.

264 : What are the three major sets of factors believed to affect ethical behavior in an organization?

Correct Answer : Individual factors such as individual knowledge of issues, personal values, and personal goals influence the level of ethical behavior in an organization. Social factors such as cultural norms, actions and decisions of co-workers, significant others, and the use of the Internet affect ethical behavior. Also, the amount of freedom an organization gives an employee to behave unethically affects ethical behavior in an organization.

265 : What are some of the social factors that affect ethical decisions?

Correct Answer : Cultural norms is an important factor in considering ethical decision making. The actions and decisions of co-workers impact other employees' sense of business ethics. Significant others--spouses, friends, and relatives--also can affect an employee's perception of ethical and unethical decisions in the workplace. Also, the use of the Internet by employees in a business setting is also an important social factor that affects ethical decision making.

266 : How can the government encourage ethical behavior? Give an example.

Correct Answer : The government encourages ethical behavior by legislating regulations. One of the important landmark regulations that the government has created is the Sarbanes-Oxley Act of 2002 which deals with corporate responsibility, conflicts of interest, and corporate accountability.

267 : Define a code of ethics. Do codes cover every business situation?

Correct Answer : A code of ethics is a written guide to acceptable and ethical behavior in an organization. A code outlines uniform policies, standards, and punishments for violations. A code of ethics cannot possibly cover every situation that might arise in an organization. An environment in which employees recognize the importance of complying with the written code must also be in place.

268 : What might be the personal and social consequences of whistle-blowing within ones own firm?

Correct Answer : Whistle-blowing, the practice of informing the press or government officials about unethical practices within one's organization, could impact the employee who blew the whistle through loss of his or her job even though the Sarbanes-Oxley Act of 2002 protects whistle-blowers who report corporate misconduct. Retaliation by executives is a criminal offense but, nevertheless, retaliation does occur.

269 : What are a few examples of companies acting socially responsible?

Correct Answer : Student answers will vary. Some possible answers include Walmart's donation of $20 million in cash, 100 truckloads of free merchandise, and food for 100,000 meals after Hurricane Katrina, General Mills' foundation that awards millions of dollars in grants to community organizations, and Dell's foundation that supports a wide range of programs that benefit children in Dell's principal U.S. locations.

270 : Define the doctrine of caveat emptor.

Correct Answer : Caveat emptor is a Latin phrase meaning "let the buyer beware." During the early 1900s, business acted primarily without oversight by government regulation and consumers were left to their own devices to determine if a product or service was what was expected and what was portrayed.

271 : How does the economic model of social responsibility differ from the socioeconomic model of social responsibility?

Correct Answer : The economic model of social responsibility ascribes that society benefits most when business is left alone to produce and market profitable products that society needs. This contrasts sharply with the socioeconomic model of social responsibility which places emphasis not only on profits but also on the impact of business decisions on society.

272 : What would proponents of the socioeconomic model argue to support their position?

Correct Answer : Since a corporation is a creation of society and is deemed a part of society, a corporation must act as a good citizen or society has the right to demand changes by that entity. Businesses have a responsibility to not only stockholders but also to customers, employees, suppliers, and the general public.

273 : What would opponents of the socioeconomic model argue to support their position?

Correct Answer : Businesses are most functional and successful and of most benefit to society when left alone to produce and market profitable products and services that society needs and wants. Social responsibility is someone else's job and is not a primary responsibility of a business. A firm is legally obligated to act in the economic interest of its stockholders and successful businesses pay taxes that are used to meet the needs of society.

274 : Define consumerism. How have the rights of consumers changed since 1930?

Correct Answer : Consumerism consists of all activities undertaken to protect the rights of consumers. The three primary categories of the consumer movement include environmental protection, product performance and safety, and information disclosure. Before the 1930s, workers, consumers, and government had very little influence on business activities. Consumerism since the 1930s has shown consumers that they do have rights and can expect businesses to meet environmental, safety, as well as other expectations.

275 : Explain the six basic rights of consumers.

Correct Answer : The six basic rights of consumers include the right to safety, the right to be informed, the right to choose, and the right to be heard--all rights asserted in President Kennedy's Consumer Bill of Rights. Two additional rights--the right to consumer education and the right to service--were added in 1975 and 1994 respectively.

276 : What are the three major consumerism forces today?

Correct Answer : The three major consumerism forces include individual consumer advocates and organizations, consumer education programs, and consumer laws. Consumer advocates and organizations take it upon themselves to protect the rights of consumers. Consumer education programs attempt to educate consumers to make wiser purchasing decisions. Numerous consumer laws have contributed to major advances in consumerism.

277 : What is an affirmative action program? Be certain to detail the objectives of such programs in your answer.

Correct Answer : An affirmative action program is a plan designed to increase the number of minority employees at all levels within a business. The object of affirmative action programs is to ensure that minorities are represented within the organization in approximately the same proportion as in the community within which the organization exists.

278 : Why did Congress create the Equal Employment Opportunity Commission?

Correct Answer : Congress created the Equal Employment Opportunity Commission, a government agency with the power to investigate complaints of employment discrimination and sue firms that practice it, in order to help solve discrimination that occurs against workers that

may not fall within the affirmative action category.

279 : Why is pollution of concern to most citizens? Why are some businesspeople particularly concerned about pollution?

Correct Answer : Even though environmentalists have been warning society about the dangers of industrial pollution for several decades, it has only been fairly recently that citizens have witnessed that pollution can be a threat to life and health. If businesses do not think it's their civil and social responsibility to act responsibly in regard to pollution, federal agencies such as the Environmental Protection Agency will take legal action to force firms to conform to pollution standards and requirements.

280 : Describe the four types of pollution. Who should pay for a clean environment?

Correct Answer : The four types of pollution include water, air, land, and noise pollution. Many business leaders advocate for tax money to be used to clean up the environment and to keep it clean. They reason behind this is that businesses are not the only polluters and, therefore, government should be involved in cleanup costs.

281 : What sort of information should be included in a social audit? Who would prepare the audit? How would such a document be used?

Correct Answer : A social audit typically includes human resources, community involvement, the quality and safety of products, business practices, and efforts to reduce pollution and improve the environment. A program director often prepares a social audit for the firm. A social audit should be used to evaluate what a business is doing with regard to social issues and to revise its social responsibility program.

282 : How should social responsibility programs be funded? Explain your answer.

Correct Answer : Funding may likely come from one of three sources: (1) pass the cost on to consumers in the form of higher prices; (2) absorb the cost of the program; or (3) find government funding through tax reductions or other incentives.