Business Ethics - Ethical Decision Making and Cases 14th edition Ferrell Test Bank

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Chapter 01: The Importance of Business Ethics

1. Morals are enduring beliefs and ideals that are socially enforced.
   a. True
   b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
REFERENCES:	1-1 Business Ethics Defined
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS:	United States - BUSPROG: Ethics - Ethics
STATE STANDARDS:	United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS:	Bloom's: Remember
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2. Every organization has the potential for unethical behavior.
   a. True
   b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
REFERENCES:	1-2 Why Study Business Ethics?
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS:	United States - BUSPROG: Ethics - Ethics
STATE STANDARDS:	United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS:	Bloom's: Remember
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3. Until 1960, ethical issues related to business were often discussed in the domain of theology or philosophy.
   a. True
   b. False

ANSWER:	True
POINTS:	1
DIFFICULTY:	Easy
REFERENCES:	1-3 The Development of Business Ethics
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS:	United States - BUSPROG: Ethics - Ethics

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STATE STANDARDS:	United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
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4. ISO 37301 is a set of 10 principles concerning human rights, labor, the environment, and anti-corruption.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
REFERENCES:	1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	LO1.4 - Explain the origins of sociological thought.
NATIONAL STANDARDS:	United States - BUSPROG: Ethics - Ethics
STATE STANDARDS:	United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS:	Bloom's: Remember
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5. The primary reason businesses adopt ethical practices is to improve financial performance, rather than as a reflection of their responsibility as members of society.

a. True

b. False

ANSWER:	False
POINTS:	1
DIFFICULTY:	Easy
REFERENCES:	1-5 The Benefits of Business Ethics
QUESTION TYPE:	True / False
HAS VARIABLES:	False
LEARNING OBJECTIVES:	LO1.5 - Compare and contrast the major frameworks of sociological theory.
NATIONAL STANDARDS:	United States - BUSPROG: Ethics - Ethics
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KEYWORDS:	Bloom's: Remember
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6. During the 1980s, the field of business ethics matured as a recognized discipline, influenced by both academic and corporate developments. If you were a corporate leader in this era tasked with implementing ethical practices following the Defense Industry Initiative (DII) principles, which action would align most effectively with these principles?

a. Conduct annual ethics training for employees and establish a safe mechanism for reporting unethical behavior without fear of retribution.

b. Develop an internal policy to prioritize profit maximization, even at the expense of ethical considerations in certain markets.

c. Limit ethics training to senior management while holding lower-level employees accountable for compliance independently.

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d. Focus exclusively on adhering to government-imposed regulations and ignore self-regulatory initiatives.

ANSWER: a
POINTS: 1
DIFFICULTY: Difficult
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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7. Ethically charged decisions:
   a. are made at all levels of work and management.
   b. are made primarily by top management.
   c. stem from individual moral philosophies.
   d. are less important than other decision-making processes.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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8. Which of the following was developed in the 1980s to support organizations' ethical programs?
   a. Federal Sentencing Guidelines for Organizations
   b. Defense Industry Initiative on Business Ethics and Conduct
   c. Foreign Corrupt Practices Act
   d. U.S. Sentencing Commission

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
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NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
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9. Which of the following incentivizes firms to prevent and detect misconduct by offering rewards for compliance with government regulations?

a. U.S. Sentencing Commission
b. Defense Industry Initiative on Business Ethics and Conduct
c. World Trade Organization
d. Federal Sentencing Guidelines for Organizations

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
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10. What is the primary difference between morals and values as defined in the context of business ethics?

a. Morals are socially enforced, while values are personal beliefs about right and wrong.
b. Morals are specific to individuals, while values are enduring beliefs enforced by society.
c. Morals define organizational principles, while values dictate legal requirements.
d. Morals are group norms, while values are personal philosophies.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
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11. Which of the following best describes the role of stakeholders in determining business ethics?

a. Stakeholders always have uniform judgments about ethical decisions.

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b. Stakeholders influence the acceptance or rejection of business practices by society.
c. Stakeholders consist of customers and investors in a business context.
d. Stakeholders determine the corporate culture of an organization.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
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12. As more than a compliance program, what is business ethics becoming?
a. An integral part of management's efforts to achieve competitive advantage
b. A guaranteed way to earn higher financial returns
c. Mainly a government regulatory issue
d. An initiative led by nonprofit organizations

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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13. Employees who view their organizational culture as ethical are more likely to:
a. ask for a raise.
b. use their personal moral philosophies in decision-making.
c. make personal sacrifices for the organization.
d. gain more organizational training.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Multiple Choice

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HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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14. You are tasked with developing a corporate ethics program for a multinational organization. Based on the framework for studying business ethics, which of the following steps would best ensure the ethical decision-making process is integrated into organizational practices?

a. Focusing exclusively on individual factors, such as moral philosophies.
b. Establishing a compliance management system aligned with ISO 37301.
c. Creating a single code of ethics without monitoring or enforcement mechanisms.
d. Relying solely on organizational culture to resolve ethical dilemmas.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-6 Our Framework for Studying Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.6 - Discuss a model for studying business ethics
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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15. What is the key distinction between ordinary decisions and ethical decisions in a business context?

a. Ethical decisions are made based on profits, while ordinary decisions follow established rules.
b. Ordinary decisions follow established rules, while ethical decisions require weighing values of situations.
c. Ordinary decisions prioritize stakeholder needs, while ethical decisions are guided by corporate culture.
d. Ethical decisions are influenced only by legal regulations, while ordinary decisions follow personal morals.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
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16. A far-reaching change to organizational control and accounting systems, making securities fraud a criminal offense, was accomplished by which of the following?

a. Foreign Corrupt Practices Act
b. Sarbanes-Oxley Act
c. Consumer Protection Act
d. Defense Industry Initiative on Business Ethics and Conduct

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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17. What does the Global Business Ethics Survey (GBES) measure?

a. Profitability of global organizations
b. Workplace integrity and key ethics outcomes
c. Employee productivity in leading economies
d. Corporate social responsibility initiatives

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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18. The Sarbanes-Oxley Act resulted in which of the following?

a. It stiffened penalties for personal fraud.
b. It created an accounting oversight board.
c. It required stakeholders to approve financial statements.
d. It outlawed bribery of officials in other countries.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy

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REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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19. An employee in a multinational corporation observes a colleague engaging in favoritism toward certain team members, leading to unequal treatment within the team. The employee knows the organization's ethics code prohibits such behavior. Based on the findings of the Global Business Ethics Survey (GBES), which of the following actions would best align with workplace integrity and ethical decision-making principles?

a. Ignore the misconduct to avoid potential retaliation from management.
b. Discuss the observed favoritism with a trusted mentor to seek advice on the next steps.
c. Report the misconduct through the company’s anonymous ethics hotline.
d. Confront the colleague directly and demand an explanation for their behavior.

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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20. Because of Sarbanes-Oxley, what must publicly traded companies develop to assist in maintaining transparency in financial reporting?

a. Ethics officers
b. Ethics programs
c. Codes of ethics
d. Legal counsel

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities

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21. When building long-term relationships between businesses and consumers, which of the following is essential for success?

a. Profit
b. Governance
c. Trust
d. Knowledge

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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22. Which of the following statements about the Dodd-Frank Wall Street Reform and Consumer Protection Act is *true*?

a. It was very popular among Wall Street bankers.
b. It represented modest reform to the finance industry.
c. It came out of theological discussions in the 1920s.
d. It was designed to make the financial services industry more responsible.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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23. In the Reagan/Bush eras, the major focus of the business world was on which of the following?

a. Self-regulation rather than regulation by government
b. Decreasing the number of mergers
c. Decreasing the multinational presence in the U.S. marketplace
d. Increasing government influence on the economic arena

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ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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24. The six principles of the Defense Industry Initiative on Business Ethics and Conduct became the foundation for which of the following?

a. The Foreign Corrupt Practices Act
b. The Federal Sentencing Guidelines for Organizations
c. The Ethical Trading Initiative
d. The Federal Trade Commission compliance requirements

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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25. What is the primary goal of an ethical culture within an organization?

a. To maximize compliance with strict rules and regulations
b. To encourage unethical behavior for financial gain
c. To promote ethical reasoning
d. To avoid the presence of ethics hotlines

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.4 - Explain the origins of sociological thought.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics

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26. Which of the following is a characteristic of a corrupt organizational culture?
    a. Support for ethical decisions and shared values
    b. Ethical leadership from top management
    c. Prioritizing goals by any means necessary
    d. Emphasis on compliance and ethical conduct

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.4 - Explain the origins of sociological thought.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
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27. The Federal Sentencing Guidelines for Organizations are described by which of the following statements?
    a. They use a standardized approach that requires all firms to adopt the same methods to avoid penalties.
    b. They strive to prosecute misconduct, ensuring accountability for unethical behaviors.
    c. They encourage companies to develop standards and procedures for penalizing misconduct.
    d. They utilize a carrot-and-stick approach by taking preventive action against misconduct.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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28. What is the most likely outcome when employees perceive their organization as having an ethical climate?
    a. A lack of focus on organizational goals and objectives.
    b. An increased emphasis on educational initiatives.
    c. Greater involvement in community outreach programs.

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d. Improved performance and outcomes across the organization.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
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29. What is the purpose of the ISO 37301 global compliance management standard?
    a. To promote ethical culture by focusing on employee training
    b. To guide organizations in establishing, developing, and maintaining a compliance management system
    c. To provide guidelines for marketing and advertising ethics
    d. To support the creation of corporate governance programs only

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.4 - Explain the origins of sociological thought.
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30. Investors are concerned about business ethics because they know that misconduct can _____.
    a. harm the ability to monitor changes
    b. increase prices of consumer products
    c. cause delays in government intervention
    d. lower stock prices

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
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31. When an organization has a strong ethical environment, it usually focuses on the core value of placing whose interests first?

a. Customers'
b. Employees'
c. Stockholders'
d. Suppliers'

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
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32. Why is the public generally more tolerant of consumer misconduct than business misconduct?

a. Businesses are expected to have a stronger understanding of ethics than individual consumers.
b. Individual decisions are not seen as impacting ethics in the business world.
c. There is a significant wealth and power imbalance between businesses and consumers.
d. Businesses are more likely to engage in misconduct than individual consumers.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
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33. What is a common outcome when society views a specific business action as unethical or wrong?

a. New legislation usually follows.
b. The guilty individual is jailed.
c. Self-regulation is deemed a failure.

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d. The company goes bankrupt.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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34. Which business ethics issue was a major concern during the 1920s?

a. Sustainability
b. Consumerism
c. Living wage
d. Bribery

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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35. Specific and pervasive boundaries for behavior that should not be violated are known as _____.

a. philosophy
b. values
c. principles
d. business ethics

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.

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NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
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KEYWORDS: Bloom's: Remember
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36. Which of the following concepts refers to a person's personal philosophy about what is right or wrong?

a. Morals
b. Values
c. Principles
d. Integrity

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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37. The term that comprises organizational principles, values, and norms that may originate from individuals, organizational statements, or the legal system that primarily guides individual and group behavior in business is defined as:

a. stakeholder orientation
b. values
c. principles
d. business ethics

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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38. A situation where a person is faced with multiple choices, all of which are undesirable as defined by that person, is known as a(n):

a. moral dilemma
b. integrity management
c. philosophical dilemma
d. legal dilemma

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Remember
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39. A company is facing challenges with declining employee morale and engagement following a recent merger. As a team leader tasked with addressing these issues, which of the following actions would best demonstrate the application of organizational development principles to improve morale?

a. Host a team meeting to reiterate the company's new policies and expectations.
b. Conduct a survey to gather employee feedback on the transition and identify concerns.
c. Implement a system of rewards for employees who quickly adapt to the new changes.
d. Schedule mandatory training sessions to educate employees on the benefits of the merger.

ANSWER: b
POINTS: 1
DIFFICULTY: Difficult
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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40. A manager notices that during team meetings, some employees from underrepresented groups hesitate to share their ideas, even when invited to do so. To foster a more inclusive environment, which of the following actions would best demonstrate an applied understanding of diversity and inclusion practices?

a. Implement a rotation system to ensure every team member has an equal opportunity to speak.
b. Provide employees with training on cultural competence and implicit bias.
c. Schedule one-on-one meetings to encourage quieter employees to share their ideas privately.

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d. Regularly praise employees who actively participate during meetings to motivate others.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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41. An organization faces increasing pressure from stakeholders to adopt environmentally responsible practices. Which concept(s) should you apply to address this issue?

a. Emerging Business Ethics Issues
b. Sustainability: Social and Ethical Dimensions
c. Individual Factors: Moral Philosophies and Values
d. Ethical Leadership

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-6 Our Framework for Studying Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.6 - Discuss a model for studying business ethics
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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42. An organization discovers that one of its suppliers is not adhering to ethical practices. To enhance its ethical culture, reduce misconduct, and encourage ethical reasoning among employees, what is the most effective course of action?

a. Continue the partnership to avoid disrupting supply chains.
b. Provide the supplier with information on the organization’s ethical standards.
c. Ignore the issue and focus on internal compliance instead.
d. Terminate the partnership without further communication.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False

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LEARNING OBJECTIVES: LO1.4 - Explain the origins of sociological thought.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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43. A company discovers that its supplier is not following globally recognized ethical standards, such as those outlined in the UN Global Compact. What is the best approach to align the company's actions with an ethical corporate culture?

a. Ethical culture refers to rules, standards, and moral principles regarding what is right or wrong.
b. Ethical culture is the establishment and enforcement of ethical codes throughout an organization.
c. Ethical culture involves the development of rules and norms that are socially enforced.
d. Ethical culture refers to codifying laws to reward organizations for preventing misconduct.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
REFERENCES: 1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.4 - Explain the origins of sociological thought.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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44. You are a manager in a multinational corporation and need to address an ethical dilemma involving conflicting stakeholder interests. Using the framework introduced in the text, what is your first step in understanding how to resolve the issue effectively?

a. Evaluate the financial impact of all possible decisions.
b. Identify the ethical issue and understand its relevance to business ethics.
c. Create a communication plan to justify your decision to stakeholders.
d. Implement a solution that aligns with the company's profitability goals.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-6 Our Framework for Studying Business Ethics
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
LEARNING OBJECTIVES: LO1.6 - Discuss a model for studying business ethics
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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45. We all learn values from sources such as family, religion, and school. Describe why these sources of individual values might not prove to be very helpful when making complex business decisions.

ANSWER: An individual's personal moral values are only one factor in the ethical decision-making process. True moral values can be applied to a variety of situations in life, and some people do not distinguish everyday ethical issues from business ones. Although truthfulness, honesty, fairness, and openness are often assumed to be self-evident and accepted, business strategy decisions involve complex and detailed discussions. Many people with limited business experience suddenly find themselves making decisions about product quality, advertising, pricing, sales techniques, hiring practices, and pollution control. The values they learned from family, religion, and school may not provide specific guidelines for these complex business decisions, since a person's experiences and decisions at home, in school, and in the community may be quite different from their experiences and decisions at work.

POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-1 Business Ethics Defined
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: LO1.1 - Illustrate what is meant by saying that human behavior is shaped by social structure.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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46. Explain why it is important for businesspeople to study business ethics.

ANSWER: Studying business ethics is important for many reasons. Just being a good person and having sound personal values may not be sufficient to handle the ethical issues that arise in a business organization. Studying business ethics helps businesspeople begin to identify ethical issues when they arise and allow them to recognize the approaches available for resolution. By studying business ethics, businesspeople learn more about the ethical decision-making process and about ways to promote ethical behavior within their organization. They may also begin to understand how to cope with conflicts between their own personal values and those of the organization in which they work.

POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-2 Why Study Business Ethics?
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: LO1.2 - Question individualistic explanations of human behavior.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
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47. As CEO of a multinational corporation in the 1980s, how would you apply the Defense Industry Initiative (DII) principles and stakeholder theory to integrate ethics into your operations? Discuss key actions, decision-making guidance, and challenges in international implementation.

ANSWER: As a CEO in the 1980s, I would apply the DII principles and stakeholder theory by prioritizing ethical leadership, transparency, and accountability across operations. Key actions include establishing a corporate code of ethics, providing ethics training, and creating reporting mechanisms for misconduct. Decision-making would be guided by balancing the interests of all stakeholders—employees, customers, shareholders, and communities—while adhering to DII principles like self-governance and public accountability. Challenges in international implementation would include navigating cultural differences, inconsistent regulations, and ensuring global adherence to ethical standards.

POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-3 The Development of Business Ethics
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: LO1.3 - Describe the significance of studying diversity in contemporary society.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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48. Your organization is facing a rise in ethical concerns, including reports of observed misconduct and weak adherence to core values. As a newly appointed ethics officer, propose a strategic plan to strengthen the organization's ethical culture. Include how you would implement compliance programs, communicate core values, and engage employees to foster ethical reasoning and decision-making.

ANSWER: Answers will vary but should include any of the following: To strengthen the organization's ethical culture:

1. **Implement Compliance Programs**: Develop a code of ethics, establish an anonymous hotline, and provide regular ethics training.
2. **Communicate Core Values**: Clearly define values, integrate them into operations, and reinforce them through multiple channels.
3. **Engage Employees**: Use compliance programs, ethics committees, and recognition programs to promote ethical decision-making.
4. **Foster Ethical Leadership**: Train leaders to model ethical behavior and encourage open communication.
5. **Evaluate and Improve**: Regularly assess programs and gather feedback for continuous improvement.

POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-4 Developing Organizational and Global Ethical Cultures
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: LO1.4 - Explain the origins of sociological thought.

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NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Apply
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49. Explain how ethics contributes to customer satisfaction.

ANSWER: When an organization has a strong ethical environment, it usually focuses on the core value of placing customers' interests first. Trust is essential to a good long-term relationship between a business and consumers. High levels of perceived corporate misconduct decrease customer trust. On the other hand, companies viewed as socially responsible increase customer trust and satisfaction. The perceived ethicality of a firm is positively related to brand trust, emotional identification with the brand, and brand loyalty.
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-5 The Benefits of Business Ethics
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
LEARNING OBJECTIVES: LO1.5 - Compare and contrast the major frameworks of sociological theory.
NATIONAL STANDARDS: United States - BUSPROG: Ethics - Ethics
STATE STANDARDS: United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS: Bloom's: Understand
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50. Using the framework for studying business ethics, design a strategy to improve a company's ethical decision-making by integrating stakeholder relationships, corporate governance, and sustainability. Explain how this strategy addresses ethical issues and supports an effective ethics program.

ANSWER: To improve a company's ethical decision-making, I would design a strategy that integrates stakeholder relationships, corporate governance, and sustainability. First, I would engage stakeholders through open communication and feedback mechanisms to identify ethical priorities and build trust. This aligns with the principles of social responsibility and ensures stakeholder concerns are addressed.
Second, I would strengthen corporate governance by establishing clear ethical standards, creating a dedicated ethics committee, and implementing accountability measures such as regular audits and compliance reviews. This would ensure that leadership exemplifies ethical behavior and promotes transparency.
Lastly, I would integrate sustainability into the business model by adopting environmentally responsible practices and aligning operations with global standards like ISO 37301 and the UN Global Compact. This approach not only minimizes ethical risks but also demonstrates a commitment to long-term social and environmental goals.
By combining these elements, the company would create a cohesive framework for ethical decision-making, foster an ethical culture, and build a reputation for integrity and responsibility.
POINTS: 1
DIFFICULTY: Moderate
REFERENCES: 1-6 Our Framework for Studying Business Ethics
QUESTION TYPE: Essay

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HAS VARIABLES:	False
STUDENT ENTRY MODE:	Basic
LEARNING OBJECTIVES:	LO1.6 - Discuss a model for studying business ethics
NATIONAL STANDARDS:	United States - BUSPROG: Ethics - Ethics
STATE STANDARDS:	United States - None - DISC: Ethical Responsibilities - Ethical Responsibilities
KEYWORDS:	Bloom's: Apply
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