Package Title: Practice

Course Title: Boone, Contemporary Business, Third Canadian Edition

Chapter Number: 02

Shuffle: No

Question type: True/False

1) Business ethics refers to standards of conduct and moral values applied in business decision- making.

Answer: True

Difficulty: Easy

Learning Objective 1: LO2.1 Explain the concepts of business ethics and social responsibility.

Section Reference 1: Concern for Ethical and Societal Issues

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: Multiple Choice

2) To enhance society’s well-being through philosophies, policies, procedures, and actions is the primary objective of which of the following?

a) corporate ethical practices

b) corporate social responsibility

c) corporate philanthropy

d) corporate best practices

Answer: b

Difficulty: Easy

Learning Objective 1: LO2.1 Explain the concepts of business ethics and social responsibility.

Section Reference 1: Concern for Ethical and Societal Issues

Bloom’s Taxonomy: Knowledge

AACSB: Communication

3) Companies in Canada are required to publish their codes of ethics and inform the public of any changes to them because of

a) Bill 198 or C-SOX.

b) the Ethics Compliance Act.

c) a lawsuit filed by the Fair Factories Clearinghouse.

d) Fair Business Practices Act.

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Bloom’s Taxonomy: Comprehension

AACSB: Communication

4) Sometimes businesses refuse to purchase goods or services from a particular country because of human rights abuses or other unethical behaviour by that country’s government. What term best describes this type of action?

a) embargo

b) boycott

c) ban

d) exclusion

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Bloom’s Taxonomy: Application

AACSB: Analytic

5) Floyd Aranowski worked for Pillsbury while serving on the Board of Directors for Entenmann’s. This would be considered:

a) a smart career move.

b) a conflict of interest.

c) an insider trading violation.

d) a strategic partnership.

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Bloom’s Taxonomy: Application

AACSB: Analytic

6) A situation where an action benefiting one person has the potential to harm another is called:

a) a conflict of interest.

b) whistle-blowing.

c) a loyalty dilemma.

d) integrity.

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Bloom’s Taxonomy: Comprehension

AACSB: Communication

7) Which of the following refers to adhering to deeply-held ethical principles in business situations?

a) conscientiousness

b) integrity

c) commitment

d) leadership

Answer: b

Difficulty: Easy

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Bloom’s Taxonomy: Knowledge

AACSB: Communication

8) An employee’s disclosure to company officials, government authorities, or the media of illegal, immoral, or unethical practices is called which of the following?

a) reporting

b) whistle-blowing

c) accusing

d) fingering

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: True/False

9) Technology has expanded the range and impact of unethical business practices.

Answer: True

Difficulty: Medium

Learning Objective 1: LO2.2 Describe the factors that influence business ethics.

Section Reference 1: The Contemporary Ethical Environment

Question type: Multiple Choice

Bloom’s Taxonomy: Comprehension

AACSB: Communication

10) Which of the following is a formal statement that outlines how a company or an organization expects its employees to handle an ethical situation?

a) code of conduct

b) behavioural rules

c) employee standards

d) ethical conflict guidelines

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Comprehension

AACSB: Communication

11) Lucent Technologies requires employees to participate in a Web-based compliance and business ethics training program. This type of program primarily serves which level of ethics development?

a) ethical awareness

b) ethical education

c) ethical action

d) ethical leadership

Answer: b

Difficulty: Hard

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Analysis

AACSB: Analytic

12) Setting unrealistic goals for employee performance can lead to which of the following?

a) unethical behaviour

b) whistle-blowing

c) employee turnover

d) employee absenteeism

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Application

AACSB: Analytic

13) A firm’s ability to behave ethically depends upon:

a) the ethical values of the firm’s executives.

b) the ethical values of the firm’s employees.

c) a climate within the organization that promotes ethical conduct.

d) all of these.

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

14) Business ethics are shaped by:

a) the company’s Code of Conduct.

b) the ethical climate in the organization.

c) the company’s upper management.

d) all of these.

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

15) Businesses must first rely on \_\_\_\_\_\_\_\_ to maintain an ethical organization.

a) policies

b) legislation

c) individual employees

d) customer complaints

Answer: c

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

16) Which of the following would **not** be considered an appropriate response when asked for donations at work?

a) Always give the suggested donation amount or the amount that coworkers at your employment level are giving.

b) Decline if you simply cannot afford it at this time.

c) If you aren’t sure about the organization, ask for more information before writing a cheque.

d) Offer to pool your resources with coworkers in order to make a larger single donation.

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Analysis

AACSB: Analytic

17) John spent at least an hour a day surfing the Internet at work. He justified his behaviour by noting that “everyone’s doing it.” This type of behaviour is

a) expected by management, as long as John gets his regular work done.

b) appropriate as long as he isn’t the only one doing it.

c) inappropriate, unprofessional, and probably unethical.

d) inappropriate only if he visits certain kinds of websites at work, such as pornography or gambling.

Answer: c

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Application

AACSB: Ethics

18) Which of the following are **not** stakeholders in a company?

a) customers

b) investors

c) employees

d) competitors

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

Question type: True/False

19) Ethical business practices create positive impact on profitable business operations.

Answer: True

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Comprehension

AACSB: Communication

20) The foundation of an ethical environment is ethical awareness, and a Code of Conduct provides a good step in this direction.

Answer: True

Difficulty: Medium

Learning Objective 1: LO2.3 Discuss how organizations shape ethical behaviour.

Section Reference 1: How Organizations Shape Ethical Conduct

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

Question type: Multiple Choice

21) Which of the following is **not** a reason for business to practice social responsibility?

a) It is required by law.

b) It enhances the company’s image.

c) It is the ethical course of action.

d) It makes the executives look good.

Answer: d

Difficulty: Easy

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

22) In a social audit,

a) a firm attempts to measure its own performance relating to social responsibility.

b) outside auditors are called in to evaluate business practices.

c) the government audits the ethical practices of a firm.

d) the government estimates the social costs of individual business action.

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society..

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

23) Which organization offers corporate social responsibility (CSR) assessments that examine the internal activities of a company and compares them to CSR best practices?

a) Canadian Centre for Ethical Business

b) Canadian Social Responsibility Institute

c) Canadian Charitable Organization Centre

d) Canadian Business for Social Responsibility

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

24) In the Canada, the social responsibility of a firm is evaluated

a) by consumers who may patronize or avoid a firm based on its behaviour.

b) on the basis of the firm’s contribution to economic growth and employment opportunities.

c) by outside groups who create and monitor standards of corporate performance.

d) all of the above.

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

25) Businesses giving back to the communities in which they earn profits is called which of the following?

a) corporate philanthropy

b) corporate charity

c) corporate giving

d) corporate assistance

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

26) In September 1982, seven people died in the Cityplace Chicago area after swallowing Tylenol capsules that had been tainted with cyanide, replaced in their packaging, and put on store shelves for sale. Johnson & Johnson maintained that the tampering could not have been foreseen, and was therefore not its fault, but still recalled all Tylenol capsules and cancelled advertising at a pre-tax loss estimated at $100 million. It also developed a capsule-shaped tablet that would be more difficult to tamper with. In doing this, Johnson & Johnson

a) admitted product liability.

b) handled the situation in a socially responsible way.

c) raised awareness of the dangers of using Tylenol.

d) avoided accepting responsibility and therefore acted unethically.

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Analysis

AACSB: Analytic

27) Business responsibilities to the general public include

a) dealing with public health issues.

b) protecting the environment.

c) developing a quality workforce.

d) all of these.

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Comprehension

AACSB: Communication

28) Much of the raw material that manufacturers need can be obtained through which of the following?

a) recycling

b) outsourcing

c) improved technological extraction methods

d) new source countries

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society..

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

29) A strategy that targets consumers that like to support environmentally conscious businesses is called

a) green marketing.

b) cause-related marketing.

c) the Safe Environment Project.

d) a public health issue.

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

30) What is green marketing?

a) A marketing strategy that promotes environmentally safe products and production methods.

b) A color-coded market strategy designed to improve employee morale.

c) A marketing strategy that promotes environmentally questionable products and production methods.

d) None of these.

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

31) Tying firms marketing efforts to their charitable giving is known as which of the following?

a) corporate philanthropy

b) cause-related marketing

c) targeted marketing

d) corporate charity marketing

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

32) The public demand that companies take into consideration the needs and wants of its customers when making decisions is called which of the following?

a) consumer empowerment

b) consumerism

c) consumer behaviour

d) consumer awareness

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

33) The responsibility of manufacturers for injuries and damages caused by their product is referred to as which of the following?

a) product protection

b) product liability

c) product negligence

d) product responsibility

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

34) Which of the following is **not** a consumer right?

a) right to be safe

b) right to choose

c) right to be informed

d) right to protest

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

35) A market-based approach of paying higher prices to producers for goods exported from developing countries in an effort to promote sustainability and to ensure the people in developing countries receive better trading conditions is which of the following?

a) social audit

b) ethical business

c) fair trade

d) corporate philanthropy

Answer: c

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

36) Family and Medical Leave governed by Provincial Labour Ministries

a) affects firms with more than 100 employees.

b) requires firms with 50 or more employees to provide up to 12 weeks of paid leave for workers who need to attend to family matters.

c) allows an employee to take up to 8 weeks of unpaid leave in a 26-week period to care for seriously ill family members.

d) does not include a guarantee that employees will be returned to an equivalent job when they come back to work.

Answer: c

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society .

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Comprehension

AACSB: Communication

37) The law that ensures universal access to jobs and ending discrimination in the workplace is the

a) Universal Access Act.

b) Employment Equity Act.

c) Discrimination Free Workplace Act.

d) Fair Employment Act.

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

38) The federal agency which investigates charges of discrimination and harassment is the

a) Canadian Equal Rights Agency.

b) Federal Equity Commission.

c) RCMP.

d) Canadian Human Rights Commission.

Answer: d

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Knowledge

AACSB: Communication

39) After graduating from trade school, Ann accepted a position as a mechanic in a shop where she is the only woman. After a few months she complained to her supervisor about lewd jokes and sexually explicit posters in the workplace. Her supervisor should:

a) tell Ann to relax and try to be one of the boys.

b) listen to Ann and help her adjust to the environment.

c) realize that these occurrences can be construed as sexual harassment and need to be addressed.

d) realize that women have no place in a work environment that was previously all male.

Answer: c

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Application

AACSB: Analytic

40) Discrimination based on gender…

a) is known as sexual harassment.

b) is known as sexism.

c) is to be expected in a culturally diverse workforce.

d) was outlawed by the Sarbanes-Oxley Act.

Answer: b

Difficulty: Medium

Learning Objective 1: LO2.4 Describe how businesses can act responsibly to satisfy society.

Section Reference 1: Acting Responsibly to Satisfy Society

Bloom’s Taxonomy: Comprehension

AACSB: Communication

41) Identify the provincial regulator responsible for investigating alleged unethical or illegal financial behaviour of publicly traded firms in Ontario.

a) The Canada Deposit Insurance Corporation

b) Ontario Fraud Bureau

c) Ontario Securities Commission

d) Ontario Stock Market Regulator

Answer: c

Difficulty: Medium

Learning Objective 1: LO2.5 Explain the ethical responsibilities of businesses to investors and the financial community..

Section Reference 1: Responsibilities to Investors and the Financial Community

Bloom’s Taxonomy: Knowledge

AACSB: Communication

42) In Alberta, the \_\_\_\_\_\_\_\_\_\_\_ protects investors from financial misdeeds.

a) Alberta Securities Commission

b) Alberta Safe Business Practices Organization

c) Alberta Ethical Trading Commission

d) Alberta Financial Fraud Investigators

Answer: a

Difficulty: Medium

Learning Objective 1: LO2.5Explain the ethical responsibilities of businesses to investors and the financial community.

Section Reference 1: Responsibilities to Investors and the Financial Community

Bloom’s Taxonomy: Knowledge

AACSB: Communication