

**Test Bank for Business A Changing World 9th Edition by Ferrell  
ISBN 0078023130 9780078023132**

Full link download

Solutions Manual

<https://testbankpack.com/p/solutions-manual-for-business-a-changing-world-9th-edition-by-ferrell-isbn-0078023130-9780078023132/>

Test Bank

<https://testbankpack.com/p/test-bank-for-business-a-changing-world-9th-edition-by-ferrell-isbn-0078023130-9780078023132/>

Chapter 02

Business Ethics and Social Responsibility

True / False Questions

1. Business ethics refers to principles and standards that determine acceptable conduct in business organizations.

True False

2. Ethics and social responsibility mean the same thing.

True False

3. Nearly all business decisions may be judged as right or wrong, ethical or unethical. True

False

4. The most basic ethical concerns have been formalized through laws and regulations that encourage conformity to society's values and norms.

True False

5. All a business has to do to maintain ethical conduct is to follow the law. True

False

6. Only corporations have to worry about ethics scandals and social responsibility issues. True

False

### Multiple Choice Questions

7. The principles and standards that determine acceptable conduct in business are referred to as

A. norms.

B. strategies.

C. ethics.

D. laws.

E. rules.

8. Social \_\_\_\_\_ relates to a business's impact on society.

A. responsibility

B. strategy

C. ethics

D. law

E. rule

9. The \_\_\_\_\_ Act criminalized securities fraud and toughened penalties for corporate fraud.

- A. Dodd-Frank
- B. Federal Trade Commission
- C. Foreign Corrupt Practices
- D. Sarbanes-Oxley
- E. Sherman Antitrust

10. What is considered ethical may differ depending on the \_\_\_\_\_ in which a business operates.

- A. city
- B. culture
- C. trade bloc
- D. hemisphere
- E. industry

11. Which of the following statements about business ethics is false?

- A. It concerns the impact of a business's activities on society.
- B. It refers to principles and standards that define acceptable behavior in business organizations.
- C. It relates to an individual's values and moral standards and the resulting business decisions he or she makes.
- D. What is ethical is determined by the public, government regulators, interest groups, competitors, and each individual's personal moral values.
- E. Studying it can help you recognize ethical issues and understand how others make unethical decisions.

12. Studying business ethics will not necessarily

- A. help you recognize ethical issues.
- B. help you understand the importance of ethical decisions.
- C. inform you about the impact of the work group on ethical decisions.
- D. describe the ethical decision-making process.
- E. tell you what you ought to do.

13. One of the most difficult things for a business to restore after an ethics scandal is

- A. regulations.
- B. jobs.
- C. trust.
- D. profits.
- E. morale.

14. The Sarbanes-Oxley Act was passed to

- A. punish those who committed accounting fraud in the late 1990s.
- B. improve corporate profits.
- C. help laid-off employees get their jobs back.
- D. help investors recoup their losses.
- E. help restore confidence in Corporate America.

15. Which of the following have not been cited in your text as incidents of unethical business activity recently?

- A. Unfair competitive practices in the computer industry
- B. Deceptive advertising of food and diet products
- C. Accounting fraud
- D. Stealing via the Internet
- E. Corporate charitable giving

16. Which of the following statements is false?

- A. Ethical issues are limited to for-profit organizations.
- B. Business ethics goes beyond legal issues.
- C. Ethical conduct builds trust among individuals and in business relationships.
- D. Ethical conflicts may evolve into legal disputes.
- E. Regardless of what an individual feels about a particular action, if society judges it to be unethical, that judgment affects the organization's ability to achieve its objectives.

## Essay Questions

17. What is business ethics?

18. Choose an issue that has been prominently featured in the news and discuss the ethical implications of this issue. Make sure to define any key terms that you use in your response.

#### True / False Questions

19. An ethical issue is an identifiable problem, situation, or opportunity that requires a person or organization to choose from among several actions that may be evaluated as ethical or unethical.

True False

20. The best way to judge the ethics of a decision is to look at it from a manager's or employee's point of view.

True False

21. Theft of time is the leading area of misconduct observed in the workplace. True

False

22. Conflicts of interest are payments, gifts, or special favors intended to influence the outcome of a decision.

True False

23. Ethics is related to the culture in which a business operates.

True False

24. Workplace bullying is an increasing problem.

True False

25. It is almost always easy to recognize specific ethical issues.

True False

### Multiple Choice Questions



26. If a manager chooses to act so that she benefits financially or otherwise at the expense of her firm, then she

- A. is bullying.
- B. is engaging in bribery.
- C. has a conflict of interest.
- D. is cheating.
- E. has broken the law.

27. Managers use the \_\_\_\_\_ of their position to influence employees' decisions and actions.

- A. authority
- B. standards
- C. scope
- D. responsibility
- E. acceptance

28. \_\_\_\_\_ involves taking someone else's work and presenting it as your own.

- A. Conflict of interest
- B. Bullying
- C. Manipulation
- D. Bribery
- E. Plagiarism

29. That businesspeople are expected not to harm customers, clients, and competitors knowingly through deception, misrepresentation, coercion, or discrimination is part of

A. fairness and honesty.

B. communications.

C. conflict of interest.

D. business relationships.

E. consumerism.

30. If Sony was investigated for allegedly raising prices of its PlayStation excessively during the Christmas buying season and thereby manipulating the supply of games available at that time, this would be an ethical issue concerned primarily with

A. conflict of interest.

B. communications.

C. fairness and honesty.

D. cost control.

E. game rules.

31. Making claims about dietary supplements or the health benefits of certain unproven ingredients is an issue related to

A. conflict of interest.

B. communications.

C. product design.

D. business relationships.

E. financing.

32. The warning on cigarette packages about the health implications of smoking is an example of which of the following ethical issues?

- A. Conflict of interest
- B. Fairness and honesty
- C. Communications
- D. Relationships within a business
- E. Environmental issues

33. The following behavior is an example of ethical consideration within business relationships:

- A. keeping company secrets.
- B. communicating with customers.
- C. whistleblowing.
- D. obeying environmental laws.
- E. donating to local charities.

34. If a manager pressures a subordinate to engage in activities that he or she may otherwise view as unethical, such as engaging in accounting fraud or stealing a competitor's secrets, there exists an ethical issue related to

- A. plagiarism.
- B. business relationships.
- C. communications.
- D. fairness and honesty.
- E. conflicts of interest.

35. If an employee learned of a significant cost-saving idea from a coworker and then informed management of the idea without revealing its true source, then the employee would be involved in

- A. keeping a secret.
- B. career advancement.
- C. plagiarism.
- D. bullying.
- E. bribery.

#### Essay Questions

36. What are some of the general ethical issues in business?

37. How do you recognize an ethical issue in business?

True / False Questions

38. Establishing and enforcing ethical standards and policies within business can help reduce unethical behavior by prescribing which activities are acceptable and which are not and by removing the opportunity to act unethically.

True False

39. Without a code of ethics or formal policy on ethics, employees are likely to base their decisions on how their peers and superiors behave.

True False

40. Codes of ethics foster ethical behavior because they expand the opportunity to behave unethically.

True False

41. Ethical decisions in an organization are influenced by three key factors. True

False

42. Codes of ethics are formalized rules and standards that describe what the company expects of its employees.

True False

### Multiple Choice Questions

43. Many employees utilize different \_\_\_\_\_ at work than they do at home.

- A. ethical standards
- B. codes of ethics
- C. conflicts of interest
- D. communication skills
- E. body language

44. A large number of \_\_\_\_\_ cases result in retaliation against the employee, even though the government has tried to take steps to protect workers and to encourage reporting of misconduct.

- A. executive
- B. white collar crime
- C. whistleblower
- D. petty theft
- E. federal

45. A set of formalized rules and standards that describe what a company expects of its employees is called a(n)

- A. code of ethics.
- B. opportunity.
- C. moral philosophy.
- D. guideline.
- E. law.

46. \_\_\_\_ is the act of an employee exposing an employer's wrongdoing to outsiders.

- A. Fraud
- B. Whistleblowing
- C. Plagiarism
- D. Bullying
- E. A criminal lawsuit

47. Codes of ethics foster ethical behavior by

- A. expanding the opportunity to behave unethically by providing rewards for following the rules.
- B. limiting the opportunity to behave unethically by providing punishments for violations of the rules and standards.
- C. limiting the opportunity to behave unethically by providing rewards for violations of the rules and standards.
- D. expanding the opportunity to behave ethically by providing punishments for following the rules.
- E. encouraging employees to bend the rules.

48. Unethical behavior in business can be reduced if management does all of the following except
- A. establishes clear policies on unethical behavior.
  - B. limits opportunities for unethical behavior.
  - C. establishes formal rules and procedures.
  - D. punishes unethical behavior firmly.
  - E. depends totally on employees' personal ethics.
49. According to the text, ethical decisions in an organization are influenced by (1) individual moral standards, (2) the influence of managers and co-workers, and (3)
- A. religious values.
  - B. informal ethical policies or rules.
  - C. opportunity to engage in misconduct.
  - D. family influence.
  - E. the founder's values.
50. Which of the following should help reduce the incidence of unethical behavior in an organization?
- A. Understanding that individual moral standards, the influence of managers and coworkers, and opportunity influence ethical behavior
  - B. Maximizing ethical conflict in work groups
  - C. Expanding opportunity by providing punishments for violations of the rules
  - D. Overlooking violations of codes of ethics
  - E. Retaliating against whistleblowers



51. A code of ethics represents \_\_\_\_\_ rules and standards of what a company expects of its employees.

- A. team
- B. unceremonious
- C. authority
- D. formalized
- E. situational

### Essay Questions

52. How can an organization improve ethical behavior?

53. Why is it increasingly common for organizations to have a code of ethics and compliance programs?

#### True / False Questions

54. There are four dimensions of social responsibility: economic, legal, ethical, and voluntary. True

False

55. The concept of social responsibility is universally accepted.

True False

56. One of the dimensions of social responsibility is philosophical.

True False

57. Increasingly, companies are introducing eco-friendly and socially responsible products to satisfy consumer demand and improve their images.

True False

58. Corporate citizenship is the extent to which businesses meet the legal, ethical, economic, and voluntary responsibilities placed on them by their owners.

True False

59. Voluntary responsibilities are optional activities that promote human welfare or goodwill. True

False

### Multiple Choice Questions

60. \_\_\_\_\_ is the extent to which businesses meet the legal, ethical, economic and voluntary responsibilities placed on them by their stakeholders.

- A. A code of conduct
- B. A code of ethics
- C. Fairness
- D. Corporate citizenship
- E. Whistleblowing

61. Obeying the law is a business's \_\_\_\_\_.

- A. right
- B. choice
- C. economic responsibility
- D. legal responsibility
- E. ethical responsibility

62. Avoiding misconduct and doing what is right, just, and fair relates to a business's

- A. economic responsibility.
- B. corporate citizenship.
- C. legal responsibility.
- D. ethical responsibility.
- E. government responsibility.

63. Which is not a dimension of social responsibility?

- A. Legal
- B. Philosophic
- C. Economic
- D. Voluntary
- E. Ethical

64. Being profitable relates to which social responsibility dimension?

- A. Economic
- B. Voluntary
- C. Ethical
- D. Legal
- E. Corporate citizenship

65. Which of the following is not one of the dimensions of social responsibility?

- A. Voluntary
- B. Economic
- C. Legal
- D. Ethical
- E. Citizenship

66. Philanthropic contributions made by a business to a charitable organization represent which dimension of social responsibility?

- A. Corporate citizenship
- B. Economic
- C. Legal
- D. Ethical
- E. Voluntary

67. Studies have found a direct link between social responsibility and \_\_\_\_\_ in business.

- A. profitability
- B. ethics
- C. declining stock prices
- D. happiness of stakeholders
- E. global warming

Essay Questions

68. What are the four dimensions of social responsibility?

69. Discuss what companies have done to address environmental concerns and to become more sustainable.

#### True / False Questions

70. Without employees, a business cannot carry out its goals.

True False

71. Recycling is a business response to employee issues.

True False

72. The right to safety requires that businesses provide a safe place for consumers to shop. True

False

73. A major social responsibility for business is providing equal opportunities for all employees. True

False

74. Sustainability involves conducting activities so as to provide for the long-term well-being of the natural environment, including all biological entities.

True False

75. Managers consider social responsibility on an annual basis.

True False

Multiple Choice Questions

76. \_\_\_\_ is the activities that individuals, groups, and organizations undertake to protect their rights as consumers.

- A. Consumerism
- B. Civil rights
- C. Protectionism
- D. Conspicuous consumption
- E. Shopping

77. John F. Kennedy's consumer bill of rights outlined four rights: the right to be informed, the right to choose, the right to be heard, and the right to

- A. regulations.
- B. service.
- C. easy credit.
- D. shop wherever you want.
- E. safety.

78. Consumers vote against firms they view as socially irresponsible by not

- A. boycotting the company's products.
- B. expressing dissatisfaction by protesting.
- C. writing their representatives in Congress.
- D. buying the company's products.
- E. filing complaints with the company.



79. Water and soil pollution from oil and gas drilling is primarily what type of concern?

- A. Consumer relations
- B. Environmental issues
- C. Community relations
- D. Employee relations
- E. Relations with stockholders

80. Which of the following is not an area of environmental concern in society today?

- A. Animal rights
- B. Land pollution
- C. Waste disposal
- D. The hard-core unemployed
- E. Business practices that harm endangered wildlife

81. Laws regarding safety in the workplace are enforced by the \_\_\_\_\_.

- A. Federal Trade Commission
- B. Occupational Safety and Health Administration
- C. Environmental Protection Agency
- D. consumer bill of rights
- E. codes of ethics

82. One role of the FTC's Bureau of Consumer Protection is to protect consumers from \_\_\_\_\_.

- A. ethics
- B. fraud
- C. laws
- D. power
- E. unity of command

83. The most common way that businesses exercise community responsibility is through.

- A. codes of ethics.
- B. environmental reports.
- C. obeying the law.
- D. recycling.
- E. contributions to charitable organizations.

84. The fact that environmental responsibility requires trade-offs means that it

- A. should not be done.
- B. is impossible.
- C. generates profits.
- D. imposes costs on both business and the public.
- E. is not a good idea.

85. The \_\_\_\_\_ gives consumers the freedom to review complete information about the products they are buying.

- A. right to be informed
- B. right to be heard
- C. right to purchase
- D. right to choose
- E. right to speak out

86. A major social responsibility for businesses is providing \_\_\_\_\_ for all employees.

- A. equal wages
- B. equal opportunities
- C. more free time
- D. better healthcare
- E. equal holiday pay

87. \_\_\_\_\_ refers to attaching a positive environmental association on an unsuitable product, service, or practice.

- A. Greenwashing
- B. Whitewashing
- C. Environmentalism
- D. Corporate citizenship
- E. Community relations

88. Many businesses, recognizing that employees lack basic work skills, are becoming more concerned about the quality of \_\_\_\_\_ in the United States.

- A. job opportunities
- B. education
- C. philanthropy
- D. management
- E. community relations

#### Essay Questions

89. Discuss the sustainability issues managers must confront in dealing with social responsibility issues.

90. Discuss the community relations issues that concern businesses.

#### Multiple Choice Questions

91. What did Jon Barnard do to help Checkers develop a competitive advantage over the competition?

- A. Handed out coupons
- B. Developed a database that improved efficiency
- C. Conducted a customer survey
- D. Raised prices
- E. Lowered prices

92. What did Barnard want to do with the information gathered on his customers?

- A. Track their daily activities
- B. Improve his advertising campaigns
- C. Give the best customers an award for loyalty
- D. Create a better pricing system
- E. Change the pizza recipe

### Essay Questions

93. What are some of the ethical issues in giving customers an award for consumption behavior without notifying them first?

94. Do you see Barnard's plan to offer a prize to the highest-consuming customers as a potential violation of privacy? Explain.