

Type: multiple choice question

Title: Chapter 01 - Question 01

01) Crane and Matten define the subject of business ethics as, "The study of business situations, activities, and decisions where...

a. ...maximizing profit is reconciled with society's expectations."

Feedback: See the definition provided in Chapter 1. Although there will inevitably be disagreements about what exactly constitutes 'ethical' business activity, Crane and Matten consider the definition they provide of the subject itself to be fairly uncontroversial.

Page reference: 5

***b.** ...issues of right and wrong are addressed."

Feedback: See the definition provided in Chapter 1. Although there will inevitably be disagreements about what exactly constitutes 'ethical' business activity, Crane and Matten consider the definition they provide of the subject itself to be fairly uncontroversial.

Page reference: 5

c. ...examples of corporate malfeasance are highlighted."

Feedback: See the definition provided in Chapter 1. Although there will inevitably be disagreements about what exactly constitutes 'ethical' business activity, Crane and Matten consider the definition they provide of the subject itself to be fairly uncontroversial.

Page reference: 5

d. ...questions are raised about corporate motivations."

Feedback: See the definition provided in Chapter 1. Although there will inevitably be disagreements about what exactly constitutes 'ethical' business activity, Crane and Matten consider the definition they provide of the subject itself to be fairly uncontroversial.

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Type: multiple choice question

Title: Chapter 01 - Question 02

02) The law can be said to be a definition of the minimum acceptable standards of behaviour, with many morally contestable issues not covered by the law. What does this imply for business ethics?

a. Businesses should prevent laws from being enacted so as to give themselves maximum freedom to act.

Feedback: Business ethics can be said to begin where the law ends. There is typically no definitive 'right' answer to business ethics problems, and while one may choose to argue that business should try and prevent laws from being enacted, this does not automatically follow from the fact that many morally contestable issues are not covered by the law.

Page reference: 5-8

b. Business ethics is about uncovering the definitive answer to business ethics problems in the absence of guidance from the law.

Feedback: Business ethics can be said to begin where the law ends. There is typically no definitive 'right' answer to business ethics problems, and while one may choose to argue that business should try and prevent laws from being enacted, this does not automatically follow from the fact that many morally contestable issues are not covered by the law.

Page reference: 5-8

***c.** In a sense, business ethics can be said to begin where the law ends.

Feedback: Business ethics can be said to begin where the law ends. There is typically no definitive 'right' answer to business ethics problems, and while one may choose to argue that business should try and prevent laws from being enacted, this does not automatically follow from the fact that many morally contestable issues are not covered by the law.

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d. The other three answers are all correct.

Feedback: Business ethics can be said to begin where the law ends. There is typically no definitive 'right' answer to business ethics problems, and while one may choose to argue that business should try and prevent laws from being enacted, this does not automatically follow from the fact that many morally contestable issues are not covered by the law.

Page reference: 5-8

Type: multiple response question

Title: Chapter 01 - Question 03

03) Why is business ethics important? Please select all that apply.

Feedback: These are all reasons why business ethics is important, but there are others also: Crane and Matten list eight in total.

Page reference: 9-13

*a. Business has greater power and influence in society than ever before.

*b. Business has the potential to provide a major contribution to our societies.

*c. Business malpractices have the potential to inflict enormous harm on individuals, communities and the environment.

*d. Business continues to violate ethics, across countries and sectors.

Type: fill-in-blank

Title: Chapter 01 - Question 04

04) The following sentence describes the relationship between morality, ethics and ethical theory. Fill in the missing word. Ethics rationalizes morality to produce ethical _____ that can be applied to any situation.

Feedback: Ethics rationalizes morality to produce ethical theory that can be applied to any situation.

For a graphical depiction, see Figure 1.2.

Page reference: 8

a. Theory

Type: multiple response question

Title: Chapter 01 - Question 05

05) A sex shop might call itself ethical because it... Please select all that apply.

Feedback: All are possible reasons for a sex shop to call itself ethical. Consider Carroll's four part model of CSR, which is discussed in Chapter 2 (fig 2.1, p53). Note that all the initiatives listed here are aimed at the top two tiers of Carroll's pyramid, doing what society expects or desires rather than sticking to what society requires.

Page reference: 11-12

*a. sells sex toys made with environmentally friendly materials.

*b. uses fair trade materials in its toys and aides.

*c. provides philanthropic support for related causes (e.g. human rights).

*d. promotes a label to certify that sex industry workers have not been exploited in the making of labelled products.

Type: matching question

Title: Chapter 01 - Question 06

06) Match the different types of organization with their different approaches to managing ethics.

Feedback: Different kinds of organizations also face different priorities in addressing business ethics, have different constraints, and are responsible or accountable to different kinds of stakeholder. See Figure 1.5.

Page reference: 17

a. Large corporation = Formal, public-relations and/or systems-based

b. Small business = Informal, trust-based

c. Civil society organization = Informal, values-based

d. Public sector organization = Formal, bureaucratic

Type: fill-in-blank

Title: Chapter 01 - Question 07

07) According to Crane and Matten, globalization as defined in terms of the deterritorialization of economic activities is particularly relevant for business ethics, and this is evident in three areas – culture, law, and _____.

Feedback: According to Crane and Matten, globalization as defined in terms of the deterritorialization of economic activities is particularly relevant for business ethics, and this is evident in three areas – culture, law, and accountability.

Page reference: 20-24

a. Accountability

Type: multiple choice question

Title: Chapter 01 - Question 08

08) There are clear regional differences in business ethics. Read the following statements carefully and decide which of the following is correct.

a. In North America, the key actors in business ethics are government, trade unions and corporate associations. In Europe it is government and corporations, while in Asia it is the corporation.

Feedback: In Europe, the key actors in business ethics are government, trade unions and corporate associations. In Asia it is government and corporations, while in North America it is the corporation.

Page reference: 26

***b.** Key issues in business ethics in Asia are corporate governance and accountability. In North America they are misconduct and immorality in single decision situations. In Europe, key issues in business ethics are social issues in organizing the framework of business.

Feedback: Key issues in business ethics in Asia are corporate governance and accountability. In North America they are misconduct and immorality in single decision situations. In Europe, key issues in business ethics are social issues in organizing the framework of business.

Page reference: 26

c. In North America, the individual is responsible for ethical conduct in business, while in Asia it is social control by the collective and in Europe the responsibility lies with top management.

Feedback: In North America, the individual is responsible for ethical conduct in business, while in Europe it is social control by the collective and in Asia the responsibility lies with top management.

Page reference: 26

d. In North America, a formalized multiple stakeholder approach is the dominant perspective on stakeholder management. Asia focuses on shareholder value, while Europe tends to take an implicit multiple stakeholder and benign managerialism approach.

Feedback: In Europe, a formalized multiple stakeholder approach is the dominant perspective on stakeholder management. North America focuses on shareholder value, while Asia tends to take an implicit multiple stakeholder and benign managerialism approach.

Page reference: 26

Type: multiple choice question

Title: Chapter 01 - Question 09

09) What is Crane and Matten's definition of sustainability?

a. Sustainability means the capacity of a business to survive over time whilst contributing to the local communities and protecting the local environments in which it operates.

Feedback: This could be a company's sustainability statement. In fact, it is a pastiche of sustainability statements presented in Figure 1.8 (p32).

Page reference: 35

b. Sustainability means that business must extend its goals beyond that of adding economic value, to incorporate adding environmental and social value also.

Feedback: This is a reformulation of John Elkington's Triple Bottom Line idea, not Crane and Matten's definition.

Page reference: 35

c. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Feedback: This is the famous definition of sustainable development set out in the so-called Brundtland Report (World Commission on Environment and Development, 1987).

Page reference: 35

***d.** Sustainability refers to the long-term maintenance of systems according to environmental, economic and social considerations.

Feedback: This is Crane and Matten's definition.

Page reference: 35

Type: multiple choice question

Title: Chapter 01 - Question 10

10) Crane and Matten point out that the development of social perspectives on sustainability has tended to trail behind that of the environmental and economic perspectives on sustainability. One attempt to address social elements is the UN's Millennium Development Goals (MDGs), which is a set of eight goals to be achieved by 2015. Which of the following is **not** an MDG?
incorrect

a. Reduce child mortality.

Feedback: This is one of the MDGs. The MDGs are primarily governmental responsibilities, but some of them have direct implications for business.

Page reference: 36

b. Achieve universal primary education.

Feedback: This is one of the MDGs. The MDGs are primarily governmental responsibilities, but some of them have direct implications for business.

Page reference: 36

*c. Reduce domestic violence.

Feedback: The reduction of domestic violence is not a specific MDG. The MDGs are primarily governmental responsibilities, but some of them have direct implications for business.

Page reference: 36

d. Eradicate extreme poverty and hunger.

Feedback: This is one of the MDGs. The MDGs are primarily governmental responsibilities, but some of them have direct implications for business.

Page reference: 36