

c1

Student: _____

1. The study of business and society involves an exploration of what is "right" and/or "wrong" in terms of the social and ethical conduct of business.

True False

2. Responses to social and environmental issues will determine the corporations which will survive in the future.

True False

3. Integrity refers to the appropriateness of a corporation's behaviour, not to its adherence to moral principles.

True False

4. Ethics applies to business in the same manner as they apply to religion.

True False

5. A responsible corporation, a business undertaking that responds to social, ethical and environmental responsibilities in addition to its economic obligations results in a firm's integrity.

True False

6. A free enterprise system sees a strictly limited role for government.

True False

7. The responsible enterprise system and stakeholder capitalism both acknowledge that business has responsibility beyond making profit for shareholders.

True False

8. Adam Smith argued for a system of capitalism that would see an enhanced role for government.

True False

9. Canadians' overall attitude towards business has been basically positive over the last ten years.

True False

10. Private enterprise focuses on the profit motive.

True False

11. There are very few legal requirements for an individual establishing or operating a business in Canada.

True False

12. Legitimacy refers to the rightness of the rightness of a business system to provide goods and services wanted by Canadians.

True False

13. A partnership may involve two or more than two individuals sharing the ownership of a business.

True False

14. In a proprietorship or partnership, the owners assume all responsibility for the firm, but they also receive all profits.

True False

15. The concession doctrine implies that incorporation is a right, not a privilege for businesses.

True False

16. The freedom of association doctrine implies that incorporation should occur without government intervention.

True False

17. Legislative safeguards are imposed upon incorporation processes to create and preserve an atmosphere of public confidence, as well as to create protections for investors and creditors.

True False

18. A minority of Canadians are owners of businesses, either directly or indirectly.

True False

19. Strategic planning is a function of the board of directors.

True False

20. The board of directors is responsible to the manager of the corporation.

True False

21. Integrity is becoming an increasingly important attribute for managers to possess.

True False

22. Self-interest by firms is an issue that the Canadian public consistently identify as a negative attribute of the business enterprise system.

True False

23. When resolving ethical issues, automatic decisions are reliable.

True False

24. The teleological approach to ethics is also referred to as a rule-based theory.

True False

25. Virtue ethics focuses upon 'doing' rather than 'being'.

True False

26. One advantage of virtue ethics is that there is general agreement as to what constitutes a virtue.

True False

27. Utilitarianism is one form of rule-based theories.

True False

28. Deontological theories focus on moral obligations.

True False

29. The 'greatest good for the greatest number' is a feature of consequentialist theories.

True False

30. Ethical dilemmas exist when an individual must choose between two right responses.

True False

31. Tigana is hoping to shift the corporate culture of her organization following a series of scandals amongst her competitors. She will be developing rules, standards and codes or principles to guide the employees' decision making towards more morally appropriate behaviour. This is a(n) _____ approach to integrity in business.

- A. Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line
- E. None of the answers.

32. BDF Corporation is attempting to develop a(n) _____ approach to business integrity. It is important to find a way to achieve balance among the firm's economic, social and environmental responsibilities, as they relate to the firm's operations, to ensure that shareholder and other stakeholder expectations are addressed.

- A. Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line
- E. None of the answers.

33. HJL Corporation's corporate activities demonstrate that they are ensuring long term survival of the corporation by including social and environmental as well as economic responsibilities as they impact all stakeholders.

- A. Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line
- E. Compliance

34. Kasia is the CEO for a large mining company. Her report to the shareholders concludes that "over the past year, we have demonstrated a net positive economic and social contribution to our stakeholders. However, there is a negative environmental impact that must be addressed to ensure the long term survival of this corporation." Kasia is employing a(n) _____ approach.

- A. Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line
- E. Compliance

35. Stakeholders are _____ the achievement of an organization's purpose.

- A. Individuals who can influence
- B. Groups who can influence
- C. Individuals who are influenced by
- D. Groups who are influenced by
- E. Groups which have no influence on

36. Government and business work collaboratively with multiple stakeholders to use resources to meet the needs of the members of a society. This arrangement is called the _____ system of a nation.

- A. Economic
- B. Free enterprise
- C. Responsible enterprise
- D. Capitalist
- E. Political

37. The discussion of the business enterprise system in the Business and Society class today was stimulating. John argued that the Canadian government should apply a _____ model whereby economic decision making is left to those individuals or enterprises who own the means of production.

- A. Capitalism
- B. Free enterprise
- C. Laissez-faire capitalism
- D. Responsible enterprise
- E. Stakeholder capitalism

38. The discussion of the business enterprise system in the Business and Society class today became heated when a debate broke out as to which capitalist system Canada should employ. Jamal argued that the Canadian government should apply a _____ model whereby economic decision making is left to those individuals or enterprises who own the means of production. A profit motivation, with limited government involvement, would create a competitive market system. Crystal agreed, but added that accountability to society by business was also important and therefore a _____ was better.

- A. Free enterprise, stakeholder capitalism
- B. Free enterprise, responsible enterprise
- C. Laissez-faire capitalism, stakeholder capitalism
- D. Laissez-faire capitalism, responsible enterprise
- E. Sustainable, stakeholder model

39. The discussion of the business enterprise system in the Business and Society class today became interesting when Roberto took the position that the Canadian government should apply a _____ model whereby economic decision making is left to those individuals or enterprises who own the means of production and the government has only the most minimal, strictly limited role.

- A. Capitalism
- B. Free enterprise
- C. Laissez-faire capitalism
- D. Responsible enterprise
- E. Stakeholder capitalism

40. Eduardo argued that Canadian business has a responsibility that goes beyond making money for investors. Businesses operate within communities. Decisions, such as closing down factories, will affect employees, their families as well as other businesses located in the factory's town. Eduardo is arguing for a _____ model of capitalism.

- A. Free enterprise
- B. Laissez-faire
- C. Responsible enterprise
- D. Stakeholder
- E. Sustainable

41. Jane is starting a business to sell handmade greeting cards online. She is forming a(n) _____ in that she is planning to assume all the risks and accept all the rewards of business ownership.

- A. Partnership
- B. Proprietorship
- C. Going concern
- D. Incorporated business
- E. Virtual model

42. Julio and Julie are planning to start a business providing holistic, herbal products to consumers. This is an exciting business opportunity which has considerable growth potential. Concerned, however, about assuming a personal level of responsibility for the financial outcome of the enterprise, they decide to structure the business through _____.

- A. Proprietorship
- B. Partnership
- C. Corporation
- D. Incorporation
- E. Limited liability

43. By incorporating his business, Gordon has taken on partners who will provide financial backing. However, there are governmental requirements that shape the process. This is in contrast to the _____ doctrine that allowed state control over the granting of incorporation.

- A. Freedom of association
- B. Going concern
- C. Concession
- D. Voluntary
- E. Legal

44. Francois is a shareholder in VNO Corporation and regularly attends annual shareholder meetings voting on policies that he feels are particularly relevant to the firm's social responsibilities. Francois is _____.

- A. A Direct owner
- B. An Indirect owner
- C. Member of the board of directors
- D. Manager
- E. Active stakeholder

45. Lucia is a shareholder in ULO Corporation, but she doesn't know it! She had thought for years that her pension was just sitting in a bank vault somewhere waiting for her to retire. Lucia is a(n) _____ of ULO Corporation.

- A. Direct owner
- B. Indirect owner
- C. Member of the board of directors
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46. Kathleen's responsibility is to manage the business and affairs of KLN Corporation, which manufactures ceramic products for industry. Kathleen is a(n) _____ of KLN Corporation.

- A. Direct owner
- B. Indirect owner
- C. Member of the board of directors
- D. Manager
- E. None of the answers.

47. Julian is planning on retiring from his role as chief executive of LVN Corporation. He doesn't know who will take his place or even if the departure should be gradual, but knows that _____ is the responsibility of the _____.

- A. Succession planning, manager
- B. Succession planning, board of directors
- C. Hiring and termination of leadership, manager
- D. Hiring and termination of leadership, board of directors
- E. Succession and termination, board of directors

48. LK Corporation has recently downsized its operations. The trend towards healthy eating has led to fewer purchases of lollipops and suckers, the principal product of the firm. Knowing that Halloween is approaching and that sales will improve, the company has told the media that the workers will be rehired as soon as sales improve. In planning to rehire the laid off workers, LK Corporation is attributing the layoffs to the _____.

- A. Self-interest
- B. Allocation of resources
- C. Decentralized decision making
- D. Business cycle
- E. Unemployment

49. IMGD Corporation has placed all its workers on short term contracts. It does so in order to not have to pay severance when it lays off its workers. This policy has garnered considerable negative publicity with many claiming that the firm is just being greedy. The critics of this policy are stating that _____, in this case, is negative.

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- D. Business cycle
- E. Unemployment

50. Christmas season is approaching and Kasia's mom is delighted with the range of offerings on the shelves of the toy store. It seems like every single toy manufacturer had a different strategy for the season. This range of offerings is the result of _____.

- A. Self-interest
- B. Allocation of resources
- C. Decentralized decision making
- D. Business cycle
- E. Innovation

51. When purchasing a new vehicle, Robert asked the dealer: "So when will the car actually do the driving for me?" The dealer laughed and then showed Robert the new Lexus model that parallel parks for the driver. This example is addressing which issue related to society's attitude towards business?

- A. Self-interest
- B. Allocation of resources
- C. Decentralized decision making
- D. Business cycle
- E. Innovation

52. The shareholders of DCV Corporation have agreed to coordinate their share purchases so that the stock looks more profitable just prior to the merger so that the public will see the company as a desirable investment. This is an example of _____.

- A. Misleading financial statements
- B. Kickbacks
- C. Stock manipulation
- D. Bid rigging
- E. Stock-splitting

53. In recruiting professionals to come and work for the firm, JKL Corporation provides incentives to the employees attending interviews. For example, Mary is encouraged to bring her husband, Robert, to the job interview at the company's expense. This is an example of what form of corporate wrong doing?

- A. Misleading financial statements
- B. Kickbacks
- C. Stock manipulation
- D. Bid rigging
- E. There is no wrong-doing

54. The three dominant approaches to normative theories of ethics include all of the following *except* _____ ethics.
- A. Deontological
 - B. Teleological
 - C. Justice
 - D. Virtue
 - E. Positive
55. One prominent ethicist who wrote extensively about virtue ethics was:
- A. Kant
 - B. Locke
 - C. Bentham
 - D. Aristotle
 - E. Mills
56. The 'veil of ignorance' test is a variation of _____ theories:
- A. teleological
 - B. virtue
 - C. deontological
 - D. consequentialist
 - E. justice
57. The potential for individuals to avoid responsibility is a limitation of _____ theories.
- A. rule-based
 - B. teleological
 - C. virtue
 - D. consequentialist
 - E. justice
58. Which of the following ethicists wrote that leadership can create opportunities for all to realize their potential?
- A. Kant
 - B. Plato
 - C. Bentham
 - D. Aristotle
 - E. Smith

59. Which of the following is accurate in terms of understanding ethics?

- A. 'Right versus wrong' situations seldom exist.
- B. Dilemmas often exist where there are two wrong responses.
- C. Responses to ethical dilemmas can result in both benefits and harms.
- D. Consensus is seldom achieved in reaching solutions.
- E. Morality and ethics are the same thing.

60. Self-interest:

- A. can act as a motivator
- B. can provide the drive for profit
- C. can be cruel and malicious
- D. can provide a stimulus to the economy's operation.
- E. is typical behaviour

61. Compare and contrast (a) proprietorship, (b) partnership and (c) incorporation.

62. Identify the five primary tasks of the board of directors as outlined in the text.

63. Some critics of the business enterprise system claim that a system based on a capitalistic market leads to inequities. What is the response by supporters of the capitalist system?

64. Name and discuss four factors influencing attitudes towards business systems.

65. Contrast deontological and teleological theories.

66. How does a 'responsible business system' differ from 'stakeholder capitalism'?

67. Why is the term 'ethics in business' preferred over the term 'business ethics'?

68. Why does business need society and society need business?

69. Explain how integrity applies to business students.

70. Should corporations be held to the same standards as individuals?

71. The business enterprise system has been described in a number of ways. How would you describe our economic system to a new Canadian?

72. As a student, why might you be concerned with the public's attitude towards business?

73. What is a responsible corporation?

c1 Key

1. The study of business and society involves an exploration of what is "right" and/or "wrong" in terms of the social and ethical conduct of business.

FALSE

*Difficulty: Moderate
Sexty - Chapter 01 #1
Topic: LO 1.1*

2. Responses to social and environmental issues will determine the corporations which will survive in the future.

TRUE

*Difficulty: Moderate
Sexty - Chapter 01 #2
Topic: LO 1.1*

3. Integrity refers to the appropriateness of a corporation's behaviour, not to its adherence to moral principles.

FALSE

*Difficulty: Moderate
Sexty - Chapter 01 #3
Topic: LO 1.2*

4. Ethics applies to business in the same manner as they apply to religion.

TRUE

*Difficulty: Moderate
Sexty - Chapter 01 #4
Topic: LO 1.2*

5. A responsible corporation, a business undertaking that responds to social, ethical and environmental responsibilities in addition to its economic obligations results in a firm's integrity.

FALSE

*Difficulty: Moderate
Sexty - Chapter 01 #5
Topic: LO 1.2*

6. A free enterprise system sees a strictly limited role for government.

FALSE

Difficulty: Easy
Sexty - Chapter 01 #6
Topic: LO 1.4

7. The responsible enterprise system and stakeholder capitalism both acknowledge that business has responsibility beyond making profit for shareholders.

TRUE

Difficulty: Difficult
Sexty - Chapter 01 #7
Topic: LO 1.4

8. Adam Smith argued for a system of capitalism that would see an enhanced role for government.

FALSE

Difficulty: Moderate
Sexty - Chapter 01 #8
Topic: LO 1.4

9. Canadians' overall attitude towards business has been basically positive over the last ten years.

FALSE

Difficulty: Difficult
Sexty - Chapter 01 #9
Topic: LO 1.4

10. Private enterprise focuses on the profit motive.

TRUE

Difficulty: Easy
Sexty - Chapter 01 #10
Topic: LO 1.5

11. There are very few legal requirements for an individual establishing or operating a business in Canada.

TRUE

Difficulty: Moderate
Sexty - Chapter 01 #11
Topic: LO 1.5

12. Legitimacy refers to the rightness of the rightness of a business system to provide goods and services wanted by Canadians.

TRUE

*Difficulty: Easy
Sexty - Chapter 01 #12
Topic: LO 1.5*

13. A partnership may involve two or more than two individuals sharing the ownership of a business.

TRUE

*Difficulty: Moderate
Sexty - Chapter 01 #13
Topic: LO 1.5*

14. In a proprietorship or partnership, the owners assume all responsibility for the firm, but they also receive all profits.

TRUE

*Difficulty: Easy
Sexty - Chapter 01 #14
Topic: LO 1.5*

15. The concession doctrine implies that incorporation is a right, not a privilege for businesses.

FALSE

*Difficulty: Moderate
Sexty - Chapter 01 #15
Topic: LO 1.5*

16. The freedom of association doctrine implies that incorporation should occur without government intervention.

FALSE

*Difficulty: Moderate
Sexty - Chapter 01 #16
Topic: LO 1.5*

17. Legislative safeguards are imposed upon incorporation processes to create and preserve an atmosphere of public confidence, as well as to create protections for investors and creditors.

TRUE

*Difficulty: Easy
Sexty - Chapter 01 #17
Topic: LO 1.5*

18. A minority of Canadians are owners of businesses, either directly or indirectly.

FALSE

*Difficulty: Easy
Sexty - Chapter 01 #18
Topic: LO 1.6*

19. Strategic planning is a function of the board of directors.

TRUE

*Difficulty: Easy
Sexty - Chapter 01 #19
Topic: LO 1.6*

20. The board of directors is responsible to the manager of the corporation.

FALSE

*Difficulty: Easy
Sexty - Chapter 01 #20
Topic: LO 1.6*

21. Integrity is becoming an increasingly important attribute for managers to possess.

TRUE

*Difficulty: Easy
Sexty - Chapter 01 #21
Topic: LO 1.6*

22. Self-interest by firms is an issue that the Canadian public consistently identify as a negative attribute of the business enterprise system.

FALSE

*Difficulty: Difficult
Sexty - Chapter 01 #22
Topic: LO 1.7*

23. When resolving ethical issues, automatic decisions are reliable.

FALSE

Difficulty: Moderate
Sexty - Chapter 01 #23
Topic: LO 1.3

24. The teleological approach to ethics is also referred to as a rule-based theory.

FALSE

Difficulty: Difficult
Sexty - Chapter 01 #24
Topic: LO 1.3

25. Virtue ethics focuses upon 'doing' rather than 'being'.

FALSE

Difficulty: Difficult
Sexty - Chapter 01 #25
Topic: LO 1.3

26. One advantage of virtue ethics is that there is general agreement as to what constitutes a virtue.

FALSE

Difficulty: Moderate
Sexty - Chapter 01 #26
Topic: LO 1.3

27. Utilitarianism is one form of rule-based theories.

FALSE

Difficulty: Difficult
Sexty - Chapter 01 #27
Topic: LO 1.3

28. Deontological theories focus on moral obligations.

TRUE

Difficulty: Moderate
Sexty - Chapter 01 #28
Topic: LO 1.3

29. The 'greatest good for the greatest number' is a feature of consequentialist theories.

TRUE

*Difficulty: Difficult
Sexty - Chapter 01 #29
Topic: LO 1.3*

30. Ethical dilemmas exist when an individual must choose between two right responses.

TRUE

*Difficulty: Moderate
Sexty - Chapter 01 #30
Topic: LO 1.4*

31. Tigana is hoping to shift the corporate culture of her organization following a series of scandals amongst her competitors. She will be developing rules, standards and codes or principles to guide the employees' decision making towards more morally appropriate behaviour. This is a(n) _____ approach to integrity in business.

- A.** Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line
- E. None of the answers.

*Difficulty: Moderate
Sexty - Chapter 01 #31
Topic: LO 1.2*

32. BDF Corporation is attempting to develop a(n) _____ approach to business integrity. It is important to find a way to achieve balance among the firm's economic, social and environmental responsibilities, as they relate to the firm's operations, to ensure that shareholder and other stakeholder expectations are addressed.

- A. Ethics of business
- B.** Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line
- E. None of the answers.

*Difficulty: Moderate
Sexty - Chapter 01 #32
Topic: LO 1.2*

33. HJL Corporation's corporate activities demonstrate that they are ensuring long term survival of the corporation by including social and environmental as well as economic responsibilities as they impact all stakeholders.

- A. Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)**
- D. Triple E bottom line
- E. Compliance

Difficulty: Moderate
Sexty - Chapter 01 #33
Topic: LO 1.2

34. Kasia is the CEO for a large mining company. Her report to the shareholders concludes that "over the past year, we have demonstrated a net positive economic and social contribution to our stakeholders. However, there is a negative environmental impact that must be addressed to ensure the long term survival of this corporation." Kasia is employing a(n) _____ approach.

- A. Ethics of business
- B. Corporate social responsibility (CSR)
- C. Corporate sustainability (CS)
- D. Triple E bottom line**
- E. Compliance

Difficulty: Difficult
Sexty - Chapter 01 #34
Topic: LO 1.2

35. Stakeholders are _____ the achievement of an organization's purpose.

- A. Individuals who can influence
- B. Groups who can influence
- C. Individuals who are influenced by
- D. Groups who are influenced by
- E. Groups which have no influence on**

Difficulty: Easy
Sexty - Chapter 01 #35
Topic: LO 1.2

36. Government and business work collaboratively with multiple stakeholders to use resources to meet the needs of the members of a society. This arrangement is called the _____ system of a nation.

- A. Economic
- B. Free enterprise
- C. Responsible enterprise
- D. Capitalist
- E. Political**

Difficulty: Easy

Sexty - Chapter 01 #36

Topic: LO 1.4

37. The discussion of the business enterprise system in the Business and Society class today was stimulating. John argued that the Canadian government should apply a _____ model whereby economic decision making is left to those individuals or enterprises who own the means of production.

- A. Capitalism**
- B. Free enterprise
- C. Laissez-faire capitalism
- D. Responsible enterprise
- E. Stakeholder capitalism

Difficulty: Difficult

Sexty - Chapter 01 #37

Topic: LO 1.4

38. The discussion of the business enterprise system in the Business and Society class today became heated when a debate broke out as to which capitalist system Canada should employ. Jamal argued that the Canadian government should apply a _____ model whereby economic decision making is left to those individuals or enterprises who own the means of production. A profit motivation, with limited government involvement, would create a competitive market system. Crystal agreed, but added that accountability to society by business was also important and therefore a _____ was better.

- A. Free enterprise, stakeholder capitalism**
- B. Free enterprise, responsible enterprise
- C. Laissez-faire capitalism, stakeholder capitalism
- D. Laissez-faire capitalism, responsible enterprise
- E. Sustainable, stakeholder model

Difficulty: Difficult

Sexty - Chapter 01 #38

Topic: LO 1.4

39. The discussion of the business enterprise system in the Business and Society class today became interesting when Roberto took the position that the Canadian government should apply a _____ model whereby economic decision making is left to those individuals or enterprises who own the means of production and the government has only the most minimal, strictly limited role.

- A. Capitalism
- B. Free enterprise
- C. Laissez-faire capitalism**
- D. Responsible enterprise
- E. Stakeholder capitalism

Difficulty: Moderate
Sexty - Chapter 01 #39
Topic: LO 1.4

40. Eduardo argued that Canadian business has a responsibility that goes beyond making money for investors. Businesses operate within communities. Decisions, such as closing down factories, will affect employees, their families as well as other businesses located in the factory's town. Eduardo is arguing for a _____ model of capitalism.

- A. Free enterprise
- B. Laissez-faire
- C. Responsible enterprise
- D. Stakeholder**
- E. Sustainable

Difficulty: Difficult
Sexty - Chapter 01 #40
Topic: LO 1.4

41. Jane is starting a business to sell handmade greeting cards online. She is forming a(n) _____ in that she is planning to assume all the risks and accept all the rewards of business ownership.

- A. Partnership
- B. Proprietorship**
- C. Going concern
- D. Incorporated business
- E. Virtual model

Difficulty: Easy
Sexty - Chapter 01 #41
Topic: LO 1.5

42. Julio and Julie are planning to start a business providing holistic, herbal products to consumers. This is an exciting business opportunity which has considerable growth potential. Concerned, however, about assuming a personal level of responsibility for the financial outcome of the enterprise, they decide to structure the business through _____.

- A. Proprietorship
- B. Partnership
- C. Corporation
- D.** Incorporation
- E. Limited liability

Difficulty: Moderate
Sexty - Chapter 01 #42
Topic: LO 1.5

43. By incorporating his business, Gordon has taken on partners who will provide financial backing. However, there are governmental requirements that shape the process. This is in contrast to the _____ doctrine that allowed state control over the granting of incorporation.

- A. Freedom of association
- B. Going concern
- C.** Concession
- D. Voluntary
- E. Legal

Difficulty: Moderate
Sexty - Chapter 01 #43
Topic: LO 1.5

44. Francois is a shareholder in VNO Corporation and regularly attends annual shareholder meetings voting on policies that he feels are particularly relevant to the firm's social responsibilities. Francois is _____.

- A.** A Direct owner
- B. An Indirect owner
- C. Member of the board of directors
- D. Manager
- E. Active stakeholder

Difficulty: Moderate
Sexty - Chapter 01 #44
Topic: LO 1.6

45. Lucia is a shareholder in ULO Corporation, but she doesn't know it! She had thought for years that her pension was just sitting in a bank vault somewhere waiting for her to retire. Lucia is a(n) _____ of ULO Corporation.

- A. Direct owner
- B. Indirect owner**
- C. Member of the board of directors
- D. Manager
- E. Active stakeholder

Difficulty: Moderate
Sexty - Chapter 01 #45
Topic: LO 1.6

46. Kathleen's responsibility is to manage the business and affairs of KLN Corporation, which manufactures ceramic products for industry. Kathleen is a(n) _____ of KLN Corporation.

- A. Direct owner
- B. Indirect owner
- C. Member of the board of directors
- D. Manager**
- E. None of the answers.

Difficulty: Moderate
Sexty - Chapter 01 #46
Topic: LO 1.6

47. Julian is planning on retiring from his role as chief executive of LVN Corporation. He doesn't know who will take his place or even if the departure should be gradual, but knows that _____ is the responsibility of the _____.

- A. Succession planning, manager
- B. Succession planning, board of directors**
- C. Hiring and termination of leadership, manager
- D. Hiring and termination of leadership, board of directors
- E. Succession and termination, board of directors

Difficulty: Moderate
Sexty - Chapter 01 #47
Topic: LO 1.6

48. LK Corporation has recently downsized its operations. The trend towards healthy eating has led to fewer purchases of lollipops and suckers, the principal product of the firm. Knowing that Halloween is approaching and that sales will improve, the company has told the media that the workers will be rehired as soon as sales improve. In planning to rehire the laid off workers, LK Corporation is attributing the layoffs to the _____.

- A. Self-interest
- B. Allocation of resources
- C. Decentralized decision making
- D. Business cycle**
- E. Unemployment

Difficulty: Moderate
Sexty - Chapter 01 #48
Topic: LO 1.7

49. IMGD Corporation has placed all its workers on short term contracts. It does so in order to not have to pay severance when it lays off its workers. This policy has garnered considerable negative publicity with many claiming that the firm is just being greedy. The critics of this policy are stating that _____, in this case, is negative.

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- C. Decentralized decision making
- D. Business cycle**
- E. Unemployment

Difficulty: Moderate
Sexty - Chapter 01 #49
Topic: LO 1.7

50. Christmas season is approaching and Kasia's mom is delighted with the range of offerings on the shelves of the toy store. It seems like every single toy manufacturer had a different strategy for the season. This range of offerings is the result of _____.

- A. Self-interest
- B. Allocation of resources
- C. Decentralized decision making**
- D. Business cycle
- E. Innovation

Difficulty: Moderate
Sexty - Chapter 01 #50
Topic: LO 1.7

51. When purchasing a new vehicle, Robert asked the dealer: "So when will the car actually do the driving for me?" The dealer laughed and then showed Robert the new Lexus model that parallel parks for the driver. This example is addressing which issue related to society's attitude towards business?

- A. Self-interest
- B. Allocation of resources
- C. Decentralized decision making
- D. Business cycle
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Difficulty: Moderate
Sexty - Chapter 01 #51
Topic: LO 1.7

52. The shareholders of DCV Corporation have agreed to coordinate their share purchases so that the stock looks more profitable just prior to the merger so that the public will see the company as a desirable investment. This is an example of _____.

- A. Misleading financial statements
- B. Kickbacks
- C.** Stock manipulation
- D. Bid rigging
- E. Stock-splitting

Difficulty: Moderate
Sexty - Chapter 01 #52
Topic: LO 1.7

53. In recruiting professionals to come and work for the firm, JKL Corporation provides incentives to the employees attending interviews. For example, Mary is encouraged to bring her husband, Robert, to the job interview at the company's expense. This is an example of what form of corporate wrong doing?

- A. Misleading financial statements
- B. Kickbacks
- C. Stock manipulation
- D. Bid rigging
- E.** There is no wrong-doing

Difficulty: Moderate
Sexty - Chapter 01 #53
Topic: LO 1.7

54. The three dominant approaches to normative theories of ethics include all of the following *except* _____ ethics.
- A. Deontological
 - B. Teleological
 - C.** Justice
 - D. Virtue
 - E. Positive

Difficulty: Difficult
Sexty - Chapter 01 #54
Topic: LO 1.3

55. One prominent ethicist who wrote extensively about virtue ethics was:
- A. Kant
 - B. Locke
 - C. Bentham
 - D.** Aristotle
 - E. Mills

Difficulty: Difficult
Sexty - Chapter 01 #55
Topic: LO 1.3

56. The 'veil of ignorance' test is a variation of _____ theories:
- A. teleological
 - B. virtue
 - C.** deontological
 - D. consequentialist
 - E. justice

Difficulty: Difficult
Sexty - Chapter 01 #56
Topic: LO 1.3

57. The potential for individuals to avoid responsibility is a limitation of _____ theories.
- A. rule-based
 - B. teleological
 - C.** virtue
 - D. consequentialist
 - E. justice

Difficulty: Difficult
Sexty - Chapter 01 #57
Topic: LO 1.3

58. Which of the following ethicists wrote that leadership can create opportunities for all to realize their potential?

- A. Kant
- B. Plato
- C. Bentham
- D.** Aristotle
- E. Smith

Difficulty: Difficult
Sexty - Chapter 01 #58
Topic: LO 1.3

59. Which of the following is accurate in terms of understanding ethics?

- A. 'Right versus wrong' situations seldom exist.
- B. Dilemmas often exist where there are two wrong responses.
- C. Responses to ethical dilemmas can result in both benefits and harms.
- D.** Consensus is seldom achieved in reaching solutions.
- E. Morality and ethics are the same thing.

Difficulty: Moderate
Sexty - Chapter 01 #59
Topic: LO 1.3

60. Self-interest:

- A.** can act as a motivator
- B. can provide the drive for profit
- C. can be cruel and malicious
- D. can provide a stimulus to the economy's operation.
- E. is typical behaviour

Difficulty: Moderate
Sexty - Chapter 01 #60
Topic: LO 1.3

61. Compare and contrast (a) proprietorship, (b) partnership and (c) incorporation.

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #61
Topic: LO 1.4

62. Identify the five primary tasks of the board of directors as outlined in the text.

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #62
Topic: LO 1.6

63. Some critics of the business enterprise system claim that a system based on a capitalistic market leads to inequities. What is the response by supporters of the capitalist system?

Answers will vary

Difficulty: Difficult
Sexty - Chapter 01 #63
Topic: LO 1.7

64. Name and discuss four factors influencing attitudes towards business systems.

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #64
Topic: LO 1.7

65. Contrast deontological and teleological theories.

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #65
Topic: LO 1.3

66. How does a 'responsible business system' differ from 'stakeholder capitalism'?

Answers will vary

Difficulty: Moderate
Sexty - Chapter 01 #66
Topic: LO 1.6

67. Why is the term 'ethics in business' preferred over the term 'business ethics'?

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #67
Topic: LO 1.1

68. Why does business need society and society need business?

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #68
Topic: LO 1.9

69. Explain how integrity applies to business students.

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #69
Topic: LO 1.8

70. Should corporations be held to the same standards as individuals?

Answers will vary

Difficulty: Moderate
Sexty - Chapter 01 #70
Topic: LO 1.7

71. The business enterprise system has been described in a number of ways. How would you describe our economic system to a new Canadian?

Answers will vary

Difficulty: Difficult
Sexty - Chapter 01 #71
Topic: LO 1.4

72. As a student, why might you be concerned with the public's attitude towards business?

Answers will vary

Difficulty: Moderate
Sexty - Chapter 01 #72
Topic: LO 1.7

73. What is a responsible corporation?

Answers will vary

Difficulty: Easy
Sexty - Chapter 01 #73
Topic: LO 1.6

c1 Summary

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