



Strathmore
UNIVERSITY

SCHOOL OF HUMANITIES & SOCIAL SCIENCES

**BACHELOR OF ARTS IN COMMUNICATION
BACHELOR OF ARTS IN INTERNATIONAL STUDIES**

**END OF SEMESTER EXAMINATION
BAA 4101: BUSINESS ETHICS**

Date: 21st April 2021

Time: 3.00 p.m. – 5.00 p.m.

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

Question 1 (30 marks)

Use the Foxconn case study to answer all sections of question 1.

Case study: Foxconn

In 2010, contract electronics manufacturer Foxconn, known for manufacturing the iPhone at the time, came under fire after it was revealed there had been 18 suicide attempts and 14 confirmed deaths that year at its factory in Shenzhen, China. A further 20 workers had had to be talked down by staff. The company, which supplies parts for Apple and Hewlett-Packard, was slammed by labour activists, who claimed that abusive practices and poor conditions had led to the deaths. A report on Foxconn by Chinese universities found that it made employees work illegal overtime and failed to report accidents.

In response to the scandal, Foxconn brought in wage increases, put suicide prevention netting around the factory building, and asked employees to sign 'no suicide' pledges. Apple's founder Steve Jobs claimed the suicide rate was "under what the US rate is, but it's still troubling", and Apple's CEO travelled to the site to meet suicide prevention experts. [However just two years later](#), 150 workers had to be talked down from the roof as they bargained for better working conditions. In 2016, a smaller group of workers did the same

- a. Identify the major ethical issues in the case above. (2 marks)

- b. It can be argued that Foxconn should look at the approach 'Business Ethics as a Movement'. Describe how Foxconn can implement Business Ethics as movement in this case. (8 marks)
- c. What role should the Government and civil society play in regulating the actions of Foxconn. (10 marks)
- d. Describe the following ethical theories and conclude which of the theories Foxconn was working under (10 marks)
 - i. Utilitarian approach
 - ii. Deontological approach

Question 2 (15 marks)

There are arguments which have been advanced against Corporate Social Responsibility (CSR). These arguments are:

- I. Social problems are the exclusive responsibility of the state and companies are not charitable institutions.
- II. Explicit social responsibility generates a cost that goes against shareholder rights or could undermine the efficiency of the company in its specific activity.
- III. Social problems are too varied and complex to be tackled and managed by companies.

Provide counterarguments to the above arguments for a case for CSR?

Question 3 (15 marks)

There has been a string of bloggers / social media influencers who have been criticized for perpetrating conversations which revolve around revealing peoples gossip which may or may not be accurate more commonly known as 'spilling the tea'. They argue that as businesses, they are giving their customers what they want, because they find that this is the content that is most profitable.

Explain why the approach that profit is the most important thing at the expense of spreading gossip is a problematic one. Analyse your argument using the shareholders approach (15 marks)

Question 4 (15 marks)

- a. Design a code of ethics for your organization. Give a brief description of the organisation. The code of ethics should have at least 5 (five) guidelines and you should also describe the reason behind each of your points. (12 marks)
- b. State and explain 3 (three) limitations of a Code of Ethics (3 marks)

Question 5 (15 marks)

In order to mitigate for capitalism as an accepted socio-economic order, some capitalist principles must be modified to improve the wellbeing of the citizens. Discuss any (five) principles and state the improvements that can be made for the purpose of attaining a morally more acceptable Capitalism.