



Strathmore
UNIVERSITY

SCHOOL OF HUMANITIES & SOCIAL SCIENCES

**BACHELOR OF ARTS IN DEVELOPMENT STUDIES AND PHILOSOPHY
BACHEOR OF ARTS IN COMMUNICATION**

END OF SEMESTER EXAM

BAA4101 BUSINESS ETHICS

[Examiner: Dr. John Branya]

Date: 16th March 2022

100 marks

Time: 10:30 – 12:30

Instructions: Answer all questions. Some questions can have more than one correct answer, and the marks are split among the answers. Wrong questions take away 0.3 marks.

MULTIPLE CHOICE (1 marks each = 70 marks; answer in the bubble sheet)

1. Can business ethics be taught? Choose the least accurate. (1) Of course it can be taught (2) It can be taught but it does not guarantee moral behaviour (3) It can be taught, but it will remain theoretical (4) Being practical knowledge it is mainly learnt by practice (5) It teaches principles which later can be applied to specific situations
2. “The purpose of business is maximising profits”; this statement matches with the economic theory of: (1) Milton Friedman (2) Robert Freeman (3) Jacques Maritain (4) Bob Collymore (5) Adam Smith
3. The term “invisible hand” as automatic regulator of the market belongs to: (1) Karl Marx, “The Capital” (2) Karl Marx, “The Communist Manifesto” (3) Adam Smith, “The theory of Moral Sentiments” (4) Adam’s Smith the “Wealth of Nations” (5) Thomas Jefferson, “Draft of the Declaration of Independence”
4. The first principle of ethics is: (1) Do not harm (2) Do good (3) Avoid evil (4) Do not do to others what you would not like them doing to you (5) Act in a way that you will like everyone act in the same way
5. Choose the one that is not included as a consumer right: (1) Right to a fair price (2) Right to redress (3) Right to consumer education (4) Right to safety (5) Right to satisfaction of basic needs
6. Which one is not one of the traditional marketing P’s? (1) Place (2) Product (3) Promotion (4) Packaging (5) Price
7. The complementary marketing E to Product is: (1) Every place (2) Every product (3) Experience (4) Exchange (5) Evangelism
8. The principle of participation applied to a company requires: (1) That all members participate in all decisions (2) That all members participate in the decisions that affect them (3) That all members share in the benefits of the company (4) That members can give suggestions (5) That unions are allowed in the company

9. Choose the most accurate definition of ethics: (1) morals is ethics in practice (2) ethics is only for intellectuals (3) ethics is to know what makes good good (4) ethics is part of philosophy (5) ethics is a set of principles
10. Chose what is the actual standard of moral good (1) health (2) best professional practice (3) existence (4) betterment as a person (5) completeness
11. The Milgram Experiment on authority shows that the reason people do bad things is because (1) people obey authority even when they know it is not good (2) people discharge responsibility on the authority (3) people are naturally cruel (4) to show that the German people were not bad (5) to show the influence of society on people's behaviour
12. According the capitalist understanding of the economy the role of government is to (1) promote economic growth (2) guarantee that the rules of free market are defended (3) that all people have the same opportunities (4) that there are no disadvantage people (5) to support everyone in society so that they can develop their talents
13. The conditions that foster fraud are: (1) pressure (2) shrewdness (3) education (4) opportunity (5) rationalization.
14. According to Bob Collymore a clear standard of moral behaviour is to: (1) to have a code of ethics (2) to have a code of practice (3) to have clear regulations (4) to join the UN Global Compact (5) behave well even when nobody sees you.
15. According to Goleman which is not part of the four elements of Emotional Intelligence (1) Self-awareness (2) Self-control (3) Self-complacency (4) Empathy (5) Relationship management.
16. According to Kolberg 6 stages of ethical development a whistle blower ethical level will not below (1) level one (2) level two (3) level three (4) level four (5) level five.
17. Bob Collymore use the expression "Fish rote from the head" to indicate: (1) not to trust the leaders (2) to indicate that the leaders should lead in moral behaviour (3) the need to train technically the leaders (4) to indicate how important are the leaders (5) to keep away from bad leaders.
18. It is important to have values written and well known (choose 2): (1) to include them in the publicity (2) to create a common ethical culture (3) to ensure that company ethical culture is maintained (4) is a legal requirement (5) to look good.
19. Ethical fading in sustainable ethical culture means: (1) that the value of the company decreases with time (2) that it is difficult to maintain one's values without regular training (3) that temptations for unethical behaviour are always there (4) that values have a limit time span (5) that there is no way to keep values over time.
20. Which is not a benefit of having an ethical sustainable culture in the company? (1) build customer loyalty (2) retain good employees (3) minimise employment costs (4) avoid legal problems (5) attract good investors.
21. Which of the following is the best of the 4 models to have an ethical corporation? (1) relying on employee's morals (2) compliance (3) periodical ethical exhortations (4) embedding values in all operations (5) having an ethics manual.
22. Which of the following levels of internal moral motives to act belongs to the third level of moral behaviour according to Kohlberg? Refusing to act against the company regulations (1) for fear to be disciplined (2) because your personal moral values (3) for the good of the company (4) because of the good of the country (5) hoping for a salary raise.
23. Which of the four models of ethical intervention in a company includes all the others? (1) relying on employee morals (2) managing values (3) ethical exhortations (4) controlling compliance (5) none of the above.
24. Choose the one that is not proper of company's culture (1) distinctive (2) shared (3) emotional (4) permanent (5) spiritual.
25. Chose the one that is not a method to convey the institution's culture: (1) motto (2) shares (3) mission (4) values (5) vision.

26. The main roles one has in a company are established by (1) one's character (2) one's status (3) one's peers' agreement (4) one's authority (5) one's negotiation abilities.
27. Choose the one that is not one of the characteristics that a manager creates in the working environment according to Sumantra Ghoshal (1) support (2) self-discipline (3) accountability (4) trust (5) stretch.
28. Choose the one that is not proper of a code of ethics (1) encouraging (2) allows initiative (3) it is written in a positive way (4) it establishes the minimum acceptable behaviour (5) it fosters engagement.
29. In a public limited liability corporation, the design and enforcement of the code of ethics is a duty of (1) the CEO (2) the CIF (3) the Board of Directors (4) the Board of Management (5) the compliance department.
30. Choose the one that is not one of the eight Strathmore University values (1) Freedom and responsibility (2) Participation (3) Subsidiarity (4) Life-long learning (5) Excellence as sanctification of work.
31. Collegiality means (1) that working together is better than working alone (2) that all people affected should take part in the decision (3) that the decisions have to be implemented by all (4) that the decisions are taking at least by 3 people (5) to participate in decisions.
32. By subcultures we understand (1) a small culture (2) a primitive culture (3) a culture within a more general culture (4) a culture based on some negative values (5) an unethical culture.
33. The two main virtues that Charles Kim discovered are the key of all other virtues are (1) strength of character (2) prudence (3) humility (4) confidence (5) loyalty.
34. Metrics in all aspects of management, including morals, are important because: (1) it is a regulation in most companies (2) it is the main managerial function (3) only what can be measured can be improved (4) if you do not count your money you do not know whether you are successful (5) gives guidelines.
35. The main mission of the UN Global Compact is: (1) to reduce poverty globally (2) to bring organizations together (3) to create global awareness of sustainable development (4) to include private and government organizations in the fight against corruption (5) to create global systems of trade.
36. Choose what is not a consequence of Adam Smith capitalistic theory: (1) the government should be small and only regulate to make free marked possible (2) self-interest is the motor of the economy (3) free competition will bring maximum benefits (4) private property should be defended at all costs (5) there is a need for redistribution of benefits.
37. Karl Marx defended that the core of the communist ideology was: (1) the class struggle (2) the total abolition of private property (3) the classless society (4) the equality of all people (5) the proletariat paradise.
38. The socialistic view of the economy is called: (1) centralised economy (2) liberal economy (3) laissez faire (4) market economy (5) regulated economy.
39. The purpose of the government according to the personalist view of society is: (1) to ensure there is free trade (2) to regulate the different particular interest to make accessible to all what is needed for a truly human life (3) to ensure peace at any cost (4) to ensure absolute equality (5) to ensure democracy.
40. Can government have private property? (1) no because private is contrary to public (2) no because government is contrary to non-governmental (3) yes because private is only contrary to public (4) no because particular is only contrary to common (5) no because political is contrary to civic.
41. The organised political community under a government is normally called (1) country (2) state (3) nation (4) estate (5) republic.
42. The main reason to have three independent bodies in a nation is to (1) prevent corruption (2) prevent abuse of power (3) be more efficient (4) be more effective (5) be expedient.

43. Choose the ones that are not civil servants properly speaking (1) the president (2) the ombudsman (3) general secretary of central organization of trades union (COTU) (4) chief secretaries (5) parliamentarians.
44. Choose the one that is not included in the Constitution article 73, 2 for civil servants: (1) selflessness (2) competence (3) objectivity (4) personal integrity (5) accountability.
45. The opposite of governmental is (1) civil (2) private (3) social (4) public (5) political.
46. Choose the one that is not included as a core national value according the Constitution article 10,2: (1) devolution of power (2) accountability (3) integrity (4) honesty (5) transparency.
47. The famous saying: “power tends to corrupt, and absolute power corrupts absolutely” was: (1) Lord Baker (2) Lord Byron (3) Lord Acton (4) Lord Ashton (5) Lord Alton.
48. Chose the one that is the least effective in preventing abuse of office (1) strong civil societies (2) free press (3) independent authorities to investigate and punish (4) free elections (5) time limit.
49. The duty of citizens to have a good government and change the bad ones is a consequence of the social ethical principle of (1) solidarity (2) participation (3) subsidiarity (4) sustainability (5) primacy of the person.
50. Which is not one of the four main factors to measure economic freedom (1) Democracy (2) Rule of Law (3) Government size (4) Regulatory Efficiency (5) Open markets.
51. Chose the international acronym used to refer to parastatals: (1) SEO (2) SME (3) SMSE (4) GOC (5) PSC.
52. Choose the one that is not necessarily an advantage of privatization of parastatals: (1) reduce citizens’ tax burden (2) prevents undue competition (3) improves decision making (4) minimises political appointments (5) better employment conditions.
53. Choose the one that is not a standard way to make the government aware of citizen’s needs (1) lobbying (2) social media (3) anonymous letters (4) ombudsman (5) professional associations.
54. Choose the one that is not properly an ethical dilemma: (1) truth v loyalty (2) right v wrong (3) justice v mercy (4) short-time v long-time solution (5) community v individual.
55. Of the civil servant governance elements choose the two included in the ten general governance elements (1) integrity (2) transparency (3) stewardship (4) objectivity (5) selflessness.
56. Studying online during the lunch break with the knowledge of your supervisor belongs to (1) the red zone (2) the yellow zone (3) the amber zone (4) the green zone (5) the blue zone.
57. Which of the following laws is not properly directed to the civil servant (1) The Leadership and Integrity Act (2) Fair Administrative Action Act (3) The Trustee Act (4) The Public Service (Values and Principles) Act (5) The Leadership and Integrity Act
58. What is the first ethical principle regarding products for consumers (1) Do good (2) Just price (3) Compliance (4) Do not harm (5) Service life.
59. When the duty of care is breached it is considered as (1) deception (2) negligence (3) coercion (4) laziness (5) fraud.
60. A company that employs between 10 and 49 people in Kenya is considered as (1) Medium Size Company (2) Start-up Company (3) Micro Enterprise (4) Informal Sector Company (5) Small Enterprise
61. What is not a characteristic of an informal sector business (1) non monitored (2) not regulated (3) not use banking facilities (4) not taxed (5) not protected
62. Which is not a company recognised by the Companies Act of 2015 (1) Companies limited by Guarantee (2) Partnerships (3) Private companies limited by share (4) Public companies limited by shares (5) Unlimited liability
63. The business of business is business reflects the purpose of a corporation by the (1) stakeholder theory (2) the corporation theory (3) the shareholder theory (4) the deontological theory (5) the virtues theory

64. "Act in such a way that you will like it to be the principle that everyone will use." Is the main principle of the ethical theory named (1) virtuous ethics (2) consequentialist ethics (3) utilitarian ethics (4) deontological ethics (5) personalistic ethics
65. An absolutists interpretation of ethics means that (1) the norms are dogmatic (2) the rules can apply differently to different people (3) it is a pragmatic way of ruling (4) it is a consequentialist approach (5) it is a utilitarian interpretation.
66. The word governance has three main levels of meaning. To which level does Corporate Governance belongs (1) general (2) political (3) technical (4) vulgar (5) common
67. Choose the two general aspects of good governance (1) moral (2) legal (3) official (4) customary (5) technical
68. What is not one of the five types of attitudes in negotiations taking into account the assertiveness and cooperation of one of the parties (1) giving in (2) empathetic (3) collaborative (4) compromise (5) stubborn
69. Change management is different from program management in that (1) it takes care of the people aspect (2) it is a difficult process (3) it involves all personnel (4) it is costly (5) it takes care of the technical aspects
70. Choose the one that is not a classification of corruption (1) Petty (2) Fraudulent (3) Political (4) Grand (5) Government

B. Essay Questions: (30 marks)

B.1 Any professional must consider the ethical consequences of the decisions taken. Analyse the following scenarios and explain (1) what the most ethical resolution would be and in (2) what principles you base it. (15 marks)

1. You are asked in an employment interview whether you will be ready to sell things that you know are not the best in the market, and at a higher cost. (5 marks)
2. You are producing high quality reports and your work is excellent. Your immediate manager is presenting them as his work to the higher managers. (5 marks)
3. The company has made a serious mistake with an important client. You are asked to speak with the client and explain that there was not such mistake, but that it was a freak accident. (5 marks)

B.2 (15 marks) You have been given a consultancy by a multinational institution. They want to improve the regulations so that in each country they operate they can fulfil the 6 principles of social ethics. In your proposal you should:

1. Explain briefly the six principles, (5 marks)
2. Explain how each principle contributes to the personal happiness of the citizens. You may use the personal radicals, the personal motivation factors, or what distinguishes persons from animals) (5 marks)
3. Give an example of a policy that applies each principle to the health services (5 marks)
