



**SCHOOL OF TOURISM AND HOSPITALITY  
MASTER OF HOSPITALITY BUSINESS MANAGEMENT  
END OF SEMESTER EXAMINATION  
MHBM 8101: ETHICS, GOVERNANCE AND RESPONSIBILITY**

**Date: Thursday, 9<sup>th</sup> June 2022**

**DURATION: 2½ Hours**

**Instructions**

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

**Question One (COMPULSORY) [20 Marks]**

- i) Define the following terms:
  - a. Person (1.5 marks)
  - b. Virtue (1 mark)
  - c. Truth (1.5 marks)
  - d. Stakeholder (1 mark)
  - e. Corporate governance (1 mark)
  - f. Social responsibility (1 mark)
  - g. Common good (2 marks)
- ii) Answer true or false and justify your answer.
  - a. The material aspect of ethics is the rightness or wrongness. True / False (1 mark)
  - b. Everyone acts in accordance with Synderesis. True / False. (1 mark)
  - c. Moral dignity is a value that can be lost from time to time. True / False (1 mark)
- iii) Which of the following is an ethical question? (1 mark)
  - a. Is it useful to steal?
  - b. Can humans steal?
  - c. Is it right to steal?
- iv) The formal principle (FP) according to Gómez-Lobo, states: (1 mark)

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- v) Justify why work is a basic human good. (1 mark)
- vi) Describe a good professional. (1 mark)
- vii) Read the following statement and justify why.  
“Given a choice between a good law and good people, I would choose good people”  
Why? (2 marks)
- viii) What is the purpose of corporate governance? (2 mark)

## **Section B: ANSWER ANY TWO QUESTION**

### **Question Two**

**[15 Marks]**

The Operations Manager (OM) of a prominent hotel on the coast of Kenya was given a target to increase income that summer season by 60% or else he may have to find another job. He is a father to three young school going children.

The Operations Manager's assistant, Kamau, is aware of all this and decides to help out. He remembers that there are some expired chocolates in a box somewhere in the basement and he suggests that they use these as an incentive to lure customers into coming to visit their premises. Sales improve significantly and some clients even come in demanding for their free chocolates. He does not tell the OM that they are expired until one customer complains about the expiry date.

- Identify the different types of voluntary actions briefly explaining each. (2 marks)
- Identify the ethical dilemma above. (1 mark)
- What would be the right course of action to take and why, in as far as the OM is concerned? (2 marks)
- What about his assistant? Explain your answers. (2 marks)
- What would be the prudent way to go about it so as to rectify the above? (2 marks)
- When or under what conditions ought one to follow one's conscience? (2 marks)
- Which virtues do you see lacking in the OM and which ones in his assistant? Justify your answers (4 marks)

### **Question Three**

**[15 Marks]**

A prominent restaurant X has a Board of Directors made up of 5 members. One of them visits the premises on a random basis and likes to get directly involved. She is known to give the chefs instructions as to how to season food, how to garnish dishes and which plates to use to serve certain dishes. These instructions many times tend to clash with the Head of Food and Beverages, because customers complain about the inconsistency in the dishes. This leaves the cook in quite a dilemma as to which and whose instructions to follow. He gets so frustrated that he is at the verge of resigning from his post.

- Identify the primary ethical dilemma. (1 mark)
- What is the responsibility of the Board of directors? (2 marks)
- Identify any stakeholders identified or implied above and classify them as wither secondary or primary. (2 marks)
- Ethically resolve this issue if you were the Head of Food and Beverages. (2 marks)
- Ethically resolve this issue if you were the chef. (2 marks)
- Identify the main missing cardinal virtue in the member of the Board of Directors. (2 marks)
- Write down a Memo in which you advise her on how best to acquire this virtue if you were a fellow member of the Board. (4 marks)

**Question Four****[15 Marks]**

Klinit is a cleaning company that takes care of Housekeeping in a five-star Resort. Klinit buys, uses and disposes of all their own cleaning equipment, materials and products. The Washrooms in the main lobby area have been non-functional and the toxic waste has been flooding out of the manhole near the kitchen area for some time. The National Sewerage Company (NSC) is responsible for sewerage and have not responded to the calls made by Head of Housekeeping of the resort. If the resort decides to tackle this issue themselves, they are likely to face charges and pay a heavy fine. National City Council (NCC) on their survey of the area have reprimanded the Resort with threats to sue if the situation is not rectified. Head of Housekeeping is refusing to pay Klinit for their services of that month because of this. They are holding the cleaner responsible for blockage due to a job badly done and want this cleaner to be dismissed.

- a. Identify ethical dilemmas in the case above. (2 marks)
- b. What is social responsibility? (2 marks)
- c. What would you hold the Resort accountable for, if at all? (2 marks)
- d. Suggest different ways in which the above issues could be easily resolved:
  - i. From the point of view of Klinit. (2 marks)
  - ii. From the point of view of the Resort. (2 marks)
- e. Give examples of social responsibility open to the Children's Resort. (1 mark)
- f. Identify stakeholders and how these could exert pressure on the right parties to responsible behaviour. (4 marks)

**\*ALL THE BEST!\***

**TOTAL = 50 MARKS; WEIGHT = 50%**