



STRATHMORE BUSINESS SCHOOL
MASTER OF MANAGEMENT IN AGRIBUSINESS (MMA)
END OF SEMESTER EXAMINATION
MMA 8202: LEADERSHIP, GOVERNANCE AND ETHICS IN AGRIBUSINESS

DATE: Monday 13th January 2025

TIME: 3 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **QUESTION ONE** and **ANY OTHER THREE** questions.
3. The exam is worth **60%** of the final grade for the unit and will be marked over **60**.
4. Answer each question on a **NEW PAGE**.

Question One (30 marks):

- a. Human beings, like other animals, undergo physical development when they have appropriate nourishment, but a whole human development is not reduced to the physical aspect; it requires development of the noblest human capacities, including intellectual and moral aspects. The necessity of such development appears as an internal experience, as a certain inner calling to grow as a human being. This growth, in essence, is what *human flourishing means*. The content of happiness or human flourishing is not evident to us. Many philosophers and psychologists have tried to explain how to achieve happiness. Explain the proposal of each of the following:
 - i. Abraham Maslow **(2 marks)**
 - ii. Barbara Fredrickson **(2 marks)**
 - iii. Martin Seligman **(2 marks)**
 - iv. Mihaly Csikszentmihalyi **(2 marks)**
 - v. Aristotle **(2 marks)**
- b. Understanding temperament can be enormously helpful in daily life--on the job, at home, and in our relationships. Once you know your temperament you gain an immediate insight into your natural strengths and weaknesses, your hot buttons, and your emotional tendencies. With this knowledge you can better recognize what is good

for you while avoiding emotionally debilitating situations, work-related missteps, relationship bumbles and poor life choices.

Cate was a dynamic farmer whose fiery determination and boundless energy were the talk of her village. With her sharp gaze and quick stride, she commanded respect wherever she went. Known for her choleric temperament, Cate approached every challenge with boldness and resolve. Her farm, perched on a rocky hillside, was the most bountiful in the region, though it hadn't always been that way.

Years earlier, Cate had inherited a plot of land so barren and dry that even weeds struggled to grow. "Why waste your time?" villagers asked her. "Sell it and move on." But Cate, with her unwavering belief in her abilities, was undeterred. "This land will yield more than anyone thinks possible," she declared with characteristic confidence.

Cate threw herself into her work with relentless focus. She woke before the sun rose and labored long after it set, devising innovative ways to cultivate the stubborn soil. When she realized that water scarcity was the biggest obstacle, she rallied her neighbors, persuading them to help her construct an advanced irrigation system. "We'll all benefit," she promised, her fiery passion inspiring others to join her cause.

- i. Cate is a true *choleric*. State any **three** of her strengths and any three of her weaknesses. **(6 marks)**
 - ii. Imagine Cate has been buying machinery from you for her farms. What could you do and need to understand for a lasting business relation. **(4 marks)**
- c. Although some trends deny the existence of ethics and adopt an inconsistent relativistic stance, many ethical doctrines aim to uncover the truth about human nature. Explain each of the following trends, ensuring that the distinctions among them are clear.
- i. Hedonism **(2 marks)**
 - ii. Utilitarianism **(2 marks)**
 - iii. Altruistic Ethics **(2 marks)**
- d. Utility, as the principle of happiness, has been very influential. State and explain a critic of this theory. **(2 marks)**

Question Two (10 marks):

Sanlu-The Melamine-tainted Milk

In 2008, the Sanlu group was the biggest manufacturer of milk powder in China. The company had 30 production plants, 10,000 employees and about 30,000 salespersons. Tian Wenhua, the chairwoman and general manager of Sanlu, was the local secretary of the Chinese Communist Party and had longstanding connections with the government. The company headquarters were near Beijing in Shijiazhuang, the capital of China's Hebei province. Foreign companies, like Nestle, Danone and Fonterra, had entered the Chinese market with the powdered milk business. They have excellent quality but a higher price than local products. Sanlu sold at half the price of equivalent foreign brands.

China doesn't have a long tradition in products, but the dairy sector experienced a rapid and scarcely regulated development beginning in 2000. Milk powder as infant food is very popular in China, where the breastfeeding rate is significantly lower than the rest of the world. According to the World Health Organization (WHO), globally, about 38 per cent of babies are exclusively breastfed for six months, but in China only 28 per cent of babies are. For over 250 million migrant workers, including many mothers who have to leave their newborn babies in their hometowns and go out to earn money for the whole family, affordable baby formula is the sad but only option.

The Fonterra Cooperative Group, a company from New Zealand and worldwide leader in exportation of dairy products, acquired 43 per cent of shares of Sonlu. This followed a Chinese government requirement that local partners had to oversee foreign companies doing business in China.

The demand for milk was far surpassing supplies due to poor animal husbandry, production and storage conditions. In an incident in 2004, watered-down milk had resulted in 12 infant deaths from malnutrition.

Another problem was quality of the raw milk, especially its protein level, which didn't reach the national standard minimum requirements. It was an open secret from 2005 to 2007, that dairy farmers in many places mixed fresh milk with additives such as melamine. This is a chemical containing nitrogen, which in conventional tests can be interpreted as evidence of the presence of proteins- also rich in nitrogen. Thus, when added to milk, the chemical gives the appearance of a higher protein content than the milk actually has. Some salespeople had been visiting farms for years, promoting 'protein powder' additives, which could not be detected by the inspection methods in use.

Between 2005 and 2006, the first reports appeared regarding possible adulteration in China's milk industry. They came from Jiang Weisuo, an agent of a Sanlu competitor, the Shaanxi Jinqiao Dairy Company. Weisuo publicly discussed his fears about unauthorized substances being added to competitors' milk, but his complaints to regulatory and dairy makers did not lead to any meaningful result. More effective was the information, released on 16 July 2008, that 16 babies in Gansu Province were diagnosed with kidney stones. The babies had been fed infant formula produced by the Sanlu Group in Shijiazhuang.

In August 2008, the Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), the Chinese government agency for product quality, started to run specific tests for melamine in Sanlu products. The scope of the investigation later expanded to all powdered milk producers and all dairy producers. However, the AQSIQ did not inform either the public or the firms that the probe was taking place.

On 2 August, Fonterra alerted Sanlu about the melamine-tainted milk, pushing hard for a full public recall. There was an immediate trade recall, but local administrators refused to order a full public withdrawal. On 5 September, Fonterra notified the New Zealand government and three days later, Prime Minister Helen Clark had Beijing officials alerted directly. Within a few days, the melamine contamination story had passed around China and around the world. On 12 September 2008, the Chinese government ordered a halt to production because of the melamine. Authorities reportedly seized 2,176 tons of powdered milk in Sanlu's warehouses. Some 9,000 tons of product were later recalled. On 15 September 2008, the company issued a public apology for the contaminated powdered milk, blaming the small milk producers.

Finally, on 16 September 2008, the AQSIQ released test data for samples from 491 batches of products sold by all 109 companies producing baby formula. Each of the 11 samples from Sanlu failed the melamine test. Tainted products were found among 21 other supplier samples, although to a lesser degree than Sanlu. Other food materials, including eggs from chickens fed with a product containing melamine, were also found to be adulterated.

- a. Is there any circumstance that makes this fraud especially serious in moral terms? **(2 marks)**
- b. What measures could be taken by the different people and institutions involved in products like infant milk powder to avoid similar problems in the future? **(2 marks)**
- c. The foundation for the principle of the inviolability of human life is the dignity of the human being. The concept of dignity expresses the value of the human being in a comprehensive way. Such a conception is the fruit of a long process of maturation, through history, of the human conscience, and it is rich in anthropological, ethical, political and religious aspects. State and explain any three pro-health principles. **(6 marks)**

Question Three (10 marks):

De Beers case study:

De Beers diamonds are extracted from South African mines and marketed in London through the Diamond Trading Company, a De Beers subsidiary. Retail and wholesale buyers from New York City visit to view De Beers' offerings. However, these buyers face pressure to accept entire bags of diamonds rather than individual stones. If they refuse or make low offers, they risk being cut off from future purchases or receiving only low-quality diamonds.

U.S. authorities are investigating De Beers for potential violations of the Sherman Act, yet the company maintains a strong presence in the U.S. market, supported by British interests that have historical ties to colonialism. These interests influence the Rhodes Scholarship, grooming U.S. students for elitist roles in society.

Recently, the U.S. Justice Department indicted General Electric and De Beers for conspiracy to fix prices in the \$500 million industrial diamond market, which, although a small part of De Beers' operations, underscores the company's controversial practices.

Additionally, De Beers has a troubling history regarding its treatment of black South African workers. Innes notes that the mining operations depended on cheap labor, which was created through discriminatory taxes, compelling many to seek jobs to pay them. These migrant workers endured harsh living conditions and were often treated with suspicion, receiving minimal compensation for their labor.

- a. Many understand the difference between law and morality to lie primarily in their nature and enforcement. To them law refers to formal rules established by a governing authority that dictate acceptable behavior, and violations are met with legal penalties. Morality, on the other hand, consists of personal or societal beliefs about right and wrong, often influenced by culture, religion, or philosophy, and is enforced through social norms rather than formal punishment. While laws can reflect moral values, not all moral beliefs are codified into law, and legal standards can sometimes conflict with moral views. This is partly true and partly wrong. Define **Law, Justice, Morality** and **Ethics**, making sure the difference among them is clear. **(4 marks)**
- b. Morality and law are related. State and explain any three of those relationships. **(6 marks)**

Question Four (10 marks):

Virtues are positive traits or qualities of character that denote excellence and give strength of good behaviour. There are several virtue-based approaches (virtue ethics), often rooted in Socratic thinkers and particularly in Aristotle. The most genuine neo- Aristotelian approach centres on how to live and attain the ‘good life’, which is central to Aristotle’s ethics. This is associated with the Greek word *eudaimonia*, often translated as ‘human flourishing’, a term related to human fulfilment or human excellence. Eudaimonia also means happiness; not in the sense of pleasure, but the joy that comes of acting honestly, helping others or being aware that one’s work is contributing to the well-being of others. Only by taking this higher perspective, against selfish concerns and interests of individual persons, can we turn to our desire for happiness. Eastern wisdom, particularly Confucius and Mencius, also had high regard for self-cultivation, which entails the education of character and the development of virtues.

State and explain any five virtues allied to prudence and any five vices against prudence.

(10 marks)

Question Five (10 marks):

The question about good – what the good is for man – has been answered throughout history in countless ways. It has an empirical origin like all our other concepts. A good piece of fruit, a good climate, a good walk. At this purely empirical stage, the concept connotes any sort of pleasure or joy, benefit or perfection that we can experience.

In the bustling heart of Nairobi, where the city’s markets burst with vibrant colors and its streets pulsed with the rhythm of life, lived an extraordinary farmer named Susan Achieng. Born with a spine condition that shaped her world from an early age, Susan now faced another cruel twist of fate: a recent diagnosis of heart arrhythmia. Yet, despite her physical struggles, her spirit burned with unyielding passion, sustained by a love for her land and music that transcended pain.

Susan’s talents were as vast as they were remarkable. Her hands, rough from years of tilling soil, were equally adept at coaxing life from the earth and crafting melodies on her treasured guitar. Her farm, nestled just outside the city, was a patchwork of greens and golds—a testament to her resilience. But it was in the quiet moments beneath the shade of her avocado trees, strumming heartfelt tunes, where Susan truly came alive. Her music, raw and honest, carried the weight of her struggles and dreams.

Yet beneath this serene façade lay a dark secret. Susan, with the sleight of hand that could rival the finest illusionists, had mastered an illicit craft—pickpocketing. When she ventured into Nairobi’s teeming streets, she became invisible, taking just enough to buy seeds, pay for her medical care, and support her aging parents. It was a dangerous double life, one that both sustained her family and shackled her in guilt.

Though her actions skirted the law, Susan’s heart clung to an unspoken morality. She shared generously, ensuring her parents lived comfortably and never wanted for anything. She invested in her farm, planting crops that fed not only her family but also her community. But the weight of her deceit was heavy. To her friends, she wore the mask of a struggling farmer, hiding the truth behind layers of lies that slowly gnawed at her conscience.

As her heart faltered with each irregular beat, Susan knew she was running out of time. She stood at a precipice, torn between the quick money that kept her afloat and a burning desire for redemption. With every seed sown and every stolen wallet, she felt the pull of two worlds, one promising survival and the other, peace.

In the midst of Nairobi's chaos, Susan Achieng's journey was one of resilience, guilt, and ultimately, the hope that the soil she loved so deeply could lead her out of the shadows—toward a life of truth and redemption. Her story unfolded like her farm: messy, raw, but beautiful in its complexity, with salvation waiting just beyond the next harvest.

Using the *five types of goods or goodness in each person*, analyze the above story of Susan Achieng. **(10 marks)**