



SCHOOL OF TOURISM AND HOSPITALITY
MASTER OF HOSPITALITY BUSINESS MANAGEMENT
END OF MODULE EXAMINATION
MHBH 8101: ETHICS, GOVERNANCE AND RESPONSIBILITY

DATE: 14th May 2026

TIME: 09:00 – 11:20

INSTRUCTIONS:

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

QUESTION ONE (COMPULSORY)

Define the following terms:

- A. Human person (2 marks)
- B. Ethics (2 marks)
- C. The Formal Principle (1 marks)
- D. Truth (2 marks)
- E. Ontological dignity (2 marks)
- F. Stakeholder (2 marks)
- G. Social responsibility (2 marks)
- H. Common good (3 marks)
- I. Corporate governance (1 marks)

Answer true or false and verify your answer. (1.5 marks each)

- J. Business ethics focuses mostly on personal ethical issues. True/False
- K. Business ethics deals with right or wrong behaviour within a particular organization.
True/False

L. Read the following and answer the questions that follow:

Due to the COVID-19 pandemic a hotel chain had to close several of its hotels due to travel restrictions and a decrease in demand for hotel rooms. As a result, the hotel chain's stakeholders were affected in various ways.

- M. Describe how at least 4 stakeholders were affected as a result of the closure and highlight the corresponding impact. (4 marks)
- N. What measures should the hotel chain take to address the needs of its stakeholders? (3 marks)
- O. As the pandemic continued, hospitality businesses had to make tough decisions to balance the needs of its stakeholders. Suggest some of the decisions that may have had to be made in relation to this. (3 marks)

QUESTION TWO (20 marks)

Read the following case and answer questions that follow:

Kamau, a guest relations manager at a busy urban hotel, receives a complaint from a high-profile guest, Mr. Richie, who claims his laptop was stolen from his room while he was out. The hotel's security footage shows no unauthorised access to Mr. Richie's room, but it does show one of the hotel's housekeeping staff, Chep, entering to perform standard cleaning services. Chep, who has been a dedicated employee for over five years, denies taking the laptop and is visibly distressed by the accusation. The hotel's policy is to compensate guests for any reported thefts up to a certain amount, but doing so without concrete evidence could set a risky precedent. Meanwhile, accusing Chep without proof could damage her reputation and morale, and might also expose the hotel to legal action.

- a) Identify the ethical dilemmas and explain the risks. (6 marks)
- b) Should Kamau compensate Mr. Richie for the missing laptop despite the lack of evidence, or should he trust Chep's word and risk the hotel's reputation with a dissatisfied guest? Justify your answer (3 marks)

- c) Is it fair to penalise Chep or doubt her integrity given that the customer is always king, and how might this impact her trust in the hotel management? (4 marks)
- d) How would you balance the interests of a valued guest with the rights and fair treatment of your staff? (5 marks)
- e) What other steps could Kamau take? (2 marks)

QUESTION THREE (20 marks)

As the lead events coordinator at a high-demand graduation party venue, you are currently navigating a unique booking request. A set of parents is looking to host their son's commencement reception with you, but they have one non-negotiable condition: the event must be entirely alcohol-free. The request is deeply personal, as their son is in recovery and they are committed to providing a celebratory environment that does not jeopardize his sobriety.

You know that serving alcohol is a common practice at graduation parties, and that many of the guests who are also your potential customers, expect it. You also know that not serving alcohol could potentially harm your business, as some clients may choose to take their business elsewhere. They have booked for 800 pax.

1. What are the ethical considerations at play in this situation? (3 marks)
2. Identify any stakeholders identified or implied above and classify them as either secondary or primary. (2 marks)
3. What are the potential consequences of serving alcohol at the wedding reception? (3 marks)
4. What are the potential consequences of not serving alcohol at the wedding reception? (3 marks)
5. How might you balance the needs and expectations of the couple with the needs and expectations of your other clients and your business? (4 marks)
6. What would be the best action to take in this situation and why? (5 marks)

QUESTION FOUR (20 marks)

The Amisi Hotel is a five-star luxury property located in a bustling metropolitan area, renowned for its exceptional service and amenities. Owned by a publicly traded hospitality group, the hotel prides itself on sustainability, community engagement, and ethical business practices. However, the property faces challenges balancing profitability with its commitments to corporate social responsibility (CSR) and ethical governance.

Recently, The Amisi Hotel's General Manager, Sophie Patel, was approached by a high-profile corporate client, *Memphis*, seeking to book 200 rooms for an international summit. While this would significantly boost revenues for the quarter, Memphis has a controversial reputation for exploiting labour in developing countries and polluting the environment. Additionally, local activist groups have threatened protests if the hotel associates with Memphis.

Concurrently, internal audits have uncovered governance concerns. A whistleblower alleged that some hotel suppliers were engaging in unfair labour practices. This revelation puts Sophie in a difficult position: the suppliers provide high-quality goods at competitive prices, crucial for maintaining the hotel's luxury standards.

Finally, employees have reported excessive overtime hours without proper compensation, a clear violation of labour laws. HR insists the practice is necessary to meet operational demands during peak seasons, but employees' morale is visibly declining.

- a) What are the three dilemmas that Sophie has to navigate? (6 marks)
- b) Should Sophie accept the *Memphis* booking? Consider the implications for revenue, reputation, and stakeholder relationships. (3 marks)
- c) How should Sophie investigate and address the whistleblower's allegations regarding unethical suppliers? Should she prioritize transparency or focus on finding alternatives first? (3 marks)

- d) What steps can be taken to ensure compliance with labour laws and improve employee morale, even during peak operational periods? (2 marks)
- e) How can The Amisi Hotel balance its Corporate and Social Responsibility commitments with the need to remain profitable in a competitive industry? (3 marks)
- f) How should Sophie communicate with stakeholders (e.g., employees, local activists, corporate clients) to maintain trust and resolve conflicts? Classify the stakeholders as either primary or secondary. (3 marks)

All the best!