Chapter 2 Quiz

True / False Questions

1. Business ethics involve the application of standards of moral behavior to business situations.
   True    False

2. You can approach business ethics from two distinct perspectives: what is happening or what should be happening.
   True    False

3. Business ethics should be applied as a set of moral standards or ethical concepts separate from general ethics.
   True    False

4. Shareholders are anyone with a share or interest in a business enterprise.
   True    False

5. Stakeholders include stockholders, employees, and the federal government.
   True    False

6. Unethical corporate behavior could negatively impact a community due to an economic decline.
   True    False

7. Unethical corporate behavior could negatively impact suppliers because of false and misleading financial information.
   True    False

8. An organization's unethical behavior can affect creditors by leading to a failure to repay debt according to an agreed schedule.
   True    False

9. A negative impact from unethical corporate behavior for creditors could be the loss of employment.
   True    False

10. The system that directs and controls business corporations defines social responsibility.
    True    False

11. The standard of corporate governance appears to be at the highest level in business history.
    True    False

12. An oxymoron is the combination of two contradictory terms, such as "deafening silence" or "jumbo shrimp."
    True    False

13. Government efficiency could be considered an oxymoron.
    True    False
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14. A code of ethics has become a standard in corporate America due to all of the recent negative publicity.  
   True    False

15. Written standards of ethical behavior designed to guide a company's managers and employees make daily decisions refer to a Corporate Social Responsibility Statement.  
   True    False

16. The issue of corporate social responsibility has advanced from an abstract debate to a core performance assessment issue with clearly established legal liabilities.  
   True    False

17. Corporate ethics has remained in the organizational mainstream over the last four decades.  
   True    False

18. The 2002 Sarbanes-Oxley Act introduced greater accountability for chief executive officers and boards of directors by requiring them to sign off on the financial performance records of the organizations they represent.  
   True    False

19. "Do what's legal" is an ethical cliché.  
   True    False

20. "Do what I do" is an ethical cliché.  
   True    False

21. In resolving a truth versus loyalty dilemma, you must decide whether the decision will have short-term long-term consequences.  
   True    False

22. In resolving a justice versus mercy dilemma, you must answer whether you perceive the issue as a question of dispensing justice or mercy.  
   True    False

23. An ethical dilemma is a situation in which there is a "right" versus "right" answer.  
   True    False

24. The notion that anything that not specifically labeled as wrong must be okay is an open invitation for the ethically challenged employer and employee.  
   True    False

25. During the 1980s, the social contract between employers and employees was redefined.  
   True    False

26. Unsafe work practices in third world countries have been a major ethical dilemma of the 2000s.  
   True    False
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27. During the 1960s, employee militancy and human rights issues surfaced.
   True    False

28. The ends-based ethical conflict resolution principle focuses on choosing the decision that would provide the greatest good for the greatest number of people.
   True    False

29. The Golden Rule resolution principle considers what would happen if everyone made the same decision as you.
   True    False

30. A belief that an activity is within reasonable ethical and legal limits is a commonly held rationalization that can lead to misconduct.
   True    False

31. A commonly held rationalization that leads to unethical behavior is the belief that other countries approve of the activity.
   True    False

32. Working on short term targets in a highly competitive environment, it can be easy to justify any act as being "in the company's best interest."
   True    False

33. The challenge of building and operating an ethical business simply requires that the business do the right thing.
   True    False

**Multiple Choice Questions**

34. _______ is the application of ethical standards to business behavior.
   A. Corporate social responsibility
   B. Philanthropy
   C. Business ethics
   D. Corporate culture

35. Business ethics can be approached using the _______ and _______ perspectives.
   A. classical, modern
   B. descriptive, normative
   C. philosophical, realist
   D. actual, hypothetical

36. A _______ perspective is a summation of the customs, attitudes, and rules that observed within a business.
   A. descriptive
   B. normative
   C. prescriptive
   D. philosophical
37. _______ is someone with a share or interest in a business enterprise.
   A. Shareholders
   B. Board of directors
   C. Stakeholders
   D. Employees

38. All of the following are stakeholders except:
   A. customers
   B. federal government
   C. competitors
   D. community

39. Unethical corporate behavior could negatively impact customers due to _______.
   A. poor service quality
   B. loss of employment
   C. loss of stock value
   D. loss of principle and interest payments

40. Unethical corporate behavior could negatively impact employees due to _______.
   A. loss of stock value
   B. loss of employment
   C. poor service quality
   D. loss of principle and interest payments

41. Unethical corporate behavior could negatively impact the federal government due to _______.
   A. false and misleading financial information used to make investment decisions
   B. loss of employment
   C. economic uptick
   D. the loss of tax code

42. _______ is the system that directs and controls business corporations.
   A. Local governance
   B. State governance
   C. Federal governance
   D. Corporate governance

43. A(n) _______ is the combination of two contradictory terms.
   A. oxymoron
   B. synonym
   C. antonym
   D. metaphor
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44. All of the following are oxymorons except:
   A. government efficiency
   B. authentic reproduction
   C. Central Intelligence Agency
   D. lifetime warranty

45. A(n) ______ is the written standards of ethical behavior designed to guide a company's managers and employees as they make daily decisions.
   A. code of ethics
   B. code of morality
   C. code of conduct
   D. employee handbook

46. The ______ introduced greater accountability for chief executive officers and boards of directors by requiring them to signing off on the financial performance records of the organizations they represent.
   A. Global Sullivan Principals
   B. Federal Corrupt Practices Act
   C. 2002 Sarbanes-Oxley Act
   D. False Claims Act

47. The issue of ______ has advanced from an abstract debate to a core performance assessment issue with clearly established legal liabilities.
   A. corporate ethics
   B. corporate social responsibility
   C. corporate donations
   D. corporate community involvement

48. ______ have matured from cosmetic public relations documents into performance-measurement documents which an increasing number of organizations are now committing to share with all their stakeholders.
   A. Code of ethics
   B. 2002 Sarbanes-Oxley Act
   C. Federal Corrupt Practices Act
   D. Global Sullivan Principles

49. According to the text, which of the following is not an ethical cliché?
   A. Do what's legal
   B. Consult the company code of ethics
   C. Do what I do
   D. Do what you think is best
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50. A situation in which there is no obvious "right" or "wrong" decision, but rather a "right" or "right" answer, refers to which of the following:
   A. ethical dilemma
   B. moral manifestation
   C. absolute ethics
   D. unethical dilemma

51. In which type of conflict would you face the following question: Do you tell the truth or remain loyal to the person or organization asking you not to reveal the truth?
   A. Short-term versus long-term
   B. Justice versus mercy
   C. Truth versus loyalty
   D. Individual versus community

52. In which type of conflict would you face the following question: Do you perceive the issue as a question of dispensing justice or dispensing mercy?
   A. Short-term versus long-term
   B. Truth versus loyalty
   C. Individual versus community
   D. None of these

53. During the 1960s, a major ethical dilemma was _______.
   A. deceptive advertising
   B. cyber crime
   C. human rights issues
   D. honesty

54. _______ was/were a major ethical dilemma in the 1980s.
   A. Drug use escalation
   B. A changing work ethic
   C. Bribes and illegal contracting practices
   D. International corruption

55. _______ was/were a business ethics development in the 1990s.
   A. Class action lawsuits
   B. The Federal Corrupt Practices Act
   C. The establishment of the Defense Industry Initiative
   D. The growth of anticorruption efforts

56. Global expansion brought new ethical challenges in the _______.
   A. 2000s
   B. 1960s
   C. 1980s
   D. 1990s
57. Which of the following is not a resolution principle?
A. Rules-based
B. The Golden Rule
C. Rationalization-endured
D. Ends-based

58. The _______ resolution considers what would happen if everyone made the same decision as you.
A. rules-based
B. ends-based
C. Golden Rule
D. similarity-based

59. The notion that anything that not specifically labeled as wrong must be okay provides an open invitation for the ethically challenged employer and employee, especially in the presence of _______ rewards for creativity within those newly expanded ethical limits.
A. implicit
B. explicit
C. undefined
D. large

60. Working on _______ targets in a highly competitive environment, it can be easy to justify any act as being "in the company's best interest."
A. future
B. intermediate
C. long-term
D. short-term

61. Every unethical act that goes undiscovered reinforces which of the following:
A. A belief that the activity is "safe" because it will never be discovered or publicized
B. A belief that the activity is within reasonable ethical and legal limits
C. A belief that the activity is in the individual's or the corporation's best interest
D. A belief that because the activity helps the company, the company will condone it and even protect the person who engages in it

62. The term business ethics seems to be a(n) _______ more now than ever before.
A. oxymoron
B. contradiction
C. legal quota
D. inconsistency