Chapter 9 Quiz

True / False Questions

1. Business transactions in different countries do not force North American companies to revisit the ethical principles to which they are committed.
   True    False

2. Less-developed nations stereotypically know how to play the game of globalization.
   True    False

3. Any country that enjoys a high standard of living as measured by economic, social, and technological criteria is a developed nation.
   True    False

4. Less-developed countries lack the economic, social, and technological infrastructure of a developed nation.
   True    False

5. The assumption that "what works here works there" has made several companies extremely wealthy over the years.
   True    False

6. International markets represent growth, and with profitable growth comes happy shareholders and rising stock prices.
   True    False

7. From a business ethics perspective, the constant hunger for growth at any cost does not present an ethical dilemma.
   True    False

8. The term globalization only has applications in economic and political environments.
   True    False

9. The expansion of international trade to a point where regional trade blocs have overtaken national markets, leading eventually to a global marketplace, refers to globalization.
   True    False

10. The universal ethics concept can explain away any questionable behavior in overseas markets.
    True    False

11. A multinational corporation is a company that operates across multiple national borders in the provision and sale of products and services.
    True    False

12. Critics argue that MNCs have chosen to ignore all ethical standards in the pursuit of the all mighty dollar.
    True    False
13. The term *globalization* has the same meaning for both developed and less developed countries.
   True    False

14. The ideal "black and white" world of ethics must give way to a gray area of ethical relativism.
   True    False

15. Ethical relativism is where ethical principles are defined by the traditions of a person's society, his or her personal opinions, and the circumstances of the present moment.
   True    False

16. Social and political chaos can generate a bureaucracy that bears no relation to a logical reality.
   True    False

17. Globalization can be seen as having an upside only.
   True    False

18. Critics have argued that the moral temptations of global expansion have grown weaker and that MNCs can ignore them.
   True    False

19. The global code of conduct is a general standard of business practice that can be applied equally to all countries over and above their local customs and social norms.
   True    False

20. Even though we are now seeing the development of larger trading blocs as neighboring countries, the individual countries with those trading blocs are not disappearing.
   True    False

21. Do no intentional harm is one of the guidelines for organizations offered by Richard DeGeorge.
   True    False

22. While DeGeorge's guidelines present something of an ethical ideal, they can overlook some of the most severe transgressions that have brought such negative attention to the ethical behavior of MNCs.
   True    False

23. In the pursuit of profit and continued expansion, MNCs have been guilty of bribery, pollution, false advertising, and questionable product quality.
   True    False

24. Enforcing ethical behavior, once it crosses national boundaries, becomes extremely difficult.
   True    False
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25. Enforcing a global ethical standard would require the United Nations to set acceptable standards of behavior and appropriate consequences for failing to abide by those standards. True False

26. The Organization for Economic Cooperation and Development (OECD) is a voluntary corporate citizenship initiative endorsing 10 key principles that focus on four main areas of concern: the environment, anticorruption, the welfare of workers around the world, and global human rights. True False

27. Global Citizenship represents a commitment to promote good corporate citizenship with a focus on four key areas: the environment, anticorruption, the welfare of workers around the world, and global human rights. True False

28. Under the labor standards of the Global Compact, businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. True False

29. The OECD guidelines carry criminal and civil enforcement and are currently endorsed by 30 member nations and 9 nonmember countries. True False

30. The UN's nongovernmental Global Compact represents a more governmental approach to the same issues featured in the OECD's Guidelines for Multinational Enterprises. True False

31. If an organization is committed to ethical business conduct, that commitment should remain constant wherever that organization conducts business. True False

32. True global citizens should remain ethical in all of their markets, rather than taking advantage of the weak for the betterment of the strong. True False

Multiple Choice Questions

33. _____ nations are countries that enjoy a high standard of living as measured by economic, social, and technological criteria.
   A. Less-developed
   B. Developing
   C. Developed
   D. Less-industrialized
34. Which of the following companies have NOT been in hot water for relying on the assumption that "what works here works there?"
A. E*Trade
B. Coca-Cola
C. Bacardi
D. Pepsi

35. A(n) _______ is a country that lacks a high standard of economic, social, and technological infrastructure.
A. developed nation
B. MNC
C. industrialized nation
D. less-developed nation

36. International markets represent all of the following, except:
A. growth
B. falling stock prices
C. sources of cheaper resources
D. cheap labor

37. The term globalization has applications in all of the following, except:
A. legal environment
B. economic environment
C. political environment
D. commercial environment

38. A company that operates across multiple national boarders in the provision and sale of products and services is referred to as ______.
A. a conglomerate
B. an international corporation
C. a multinational corporation
D. a transnational corporation

39. Any questionable behavior in overseas markets can be explained away using the concept of ________.
A. utilitarianism
B. moral relativism
C. the golden rule
D. universal ethics

40. For less-developed nations, the concept of globalization ______.
A. has a similar meaning
B. has a different meaning
C. has the same meaning
D. has no meaning
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41. ______ is where a person defines his or her ethical principles according to traditions of society, personal opinions, and the circumstances of the present moment.
   A. Utilitarianism
   B. Normative ethics
   C. Descriptive ethics
   D. Ethical relativism

42. Social and political chaos can generate a bureaucracy that ______.
   A. bears no relation to reality
   B. is self-serving
   C. has a communistic framework
   D. will eventually self-destruct

43. Globalization can be seen to have ______.
   A. an upside
   B. a downside
   C. an upside and a downside
   D. an upside only

44. All of the following are arguments advocates use to promote the downside of globalization, except:
   A. developing countries are ravaged for their raw materials
   B. globalization brings unprecedented improvements in wealth and standards of living
   C. workers are exploited
   D. corporations are free to take full advantage of less-restrictive legal environments

45. Critics have argued that the moral temptations of global expansion have simply been ______.
   A. sturdy
   B. feeble
   C. too weak
   D. too strong

46. The ______ is a general standard of business practice that applies equally to all countries over and above their local customs and social norms.
   A. universal accounting standards
   B. global code of ethics
   C. international cross border customs practices
   D. the generally accepted business principles

47. For those advocates of global ethics, this means that a(n) ______ solution has to be found.
   A. inflexible
   B. strict
   C. flexible
   D. rigid
48. Which of the following is NOT a guideline offered by DeGeorge?
A. Seek an economic profit without breaking local laws
B. Respect the human rights of their employees
C. Produce more good than harm for the host country
D. Do no intentional harm

49. DeGeorge's guidelines present a/an ______.
A. business model
B. realistic ethical framework
C. ethical ideal
D. ethical solution

50. In the pursuit of profit and expansion, MNCs have been guilty of all of the following, except:
A. bribery
B. pollution
C. the promotion of human rights
D. questionable product quality

51. American corporations are accountable for ethical conduct in their home country under the ______.
A. American Corrupt Practices Act
B. Global Corrupt Practices Act
C. International Corrupt Practices Act
D. Foreign Corrupt Practices Act

52. Enforcing ethical behaviors once they cross national boundaries is ______.
A. extremely difficult
B. moderately difficult
C. slightly difficult
D. relatively easy

53. ______ is a voluntary corporate citizenship initiative endorsing 10 key principles that focus on four main areas of concern: the environment, anticorruption, the welfare of workers around the world, and global human rights.
A. Corporate Citizenship
B. Global Compact
C. Ethical Expatriatism
D. Global Fellowship

54. All of the following are principles of the Global Compact under the area of environment, except:
A. businesses should support a precautionary approach to environmental challenges
B. businesses should undertake initiatives to promote greater environmental responsibility
C. businesses should encourage the development and diffusion of environmentally friendly technologies
D. businesses should work against all forms of corruption
55. The ______ is a governmental initiative endorsed by over 30 members and 9 non-members, promoting principles and standards of behavior in the following areas: human rights, information disclosure, anticorruption, taxation, labor relations, environment, competition, and consumer protection.
A. SEC guidelines
B. FOMC guidelines
C. OECD guidelines
D. World Bank guidelines

56. The OECD guidelines promote principles and standards of behavior in the all of the following areas, except:
A. finance
B. human rights
C. labor relations
D. consumer protection

57. If an organization is committed to ethical business conduct, that commitment should remain constant ______.
A. in developed countries
B. in its home country
C. wherever that business is conducted in the world
D. in countries with similar ethical beliefs