

*Test Bank for Understanding Business
Ethics 4th Edition by Stanwick*

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Understanding Business Ethics (4th)

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Total Questions: 56

Easy

Multiple Choice (2)

Q1. [Multiple Choice]

_____ can be defined as the collective values of a business organization that can be used to evaluate whether the behaviors of the organization's collective members are considered acceptable and appropriate.

- a) Validity
- b) Business ethics ✓ correct**
- c) Self-efficacy
- d) Groupthink

Q2. [Multiple Choice]

_____ can be defined as the values an individual uses to interpret whether any particular action or behavior is considered acceptable and appropriate.

- a) Ethics ✓ correct**
- b) Validity
- c) Reliability
- d) Commitment

True/False (14)

Q3. [True/False]

As opposed to deontological frameworks, which focus on whether the results are favorable or not, teleological frameworks focus on the duty or obligation in determining whether the actions are right or wrong.

- a) True
- b) False ✓ correct**

Correct answer: False

Q4. [True/False]

Contractarianism is based on the underlying belief that the only person who can determine right or wrong is based on the free will of the person making the decision.

- a) True
- b) False ✓ correct**

Correct answer: False

Q5. [True/False]

Ethical egoism is represented in self-improvement, and utilitarianism is represented in beneficence and noninjury.

- a) True ✓ correct**
- b) False

Correct answer: True

Q6. [True/False]

Existentialism is based on the belief that all individuals agree to social contracts to be a member within a society.

- a) True
- b) False ✓ correct

Correct answer: False

Q7. [True/False]

Existentialism is represented in fidelity, and contractarianism is represented in fidelity and justice.

- a) True ✓ correct
- b) False

Correct answer: True

Q8. [True/False]

From a legal standpoint, analytical ethics would address the “motive” behind the actions instead of just being satisfied with a description of the actions.

- a) True ✓ correct
- b) False

Correct answer: True

Q9. [True/False]

Kant's ethical view is considered a dualism because it attempts to bridge the gap between the existentialist and contractarian points of view.

- a) True ✓ correct
- b) False

Correct answer: True

Q10. [True/False]

The collective values of a business organization that can be used to evaluate whether the behaviors of the organization's collective members are considered acceptable and appropriate are called *business ethics*.

- a) True ✓ correct
- b) False

Correct answer: True

Q11. [True/False]

The fiduciary principle is based on the belief that stakeholders who have a vested interest in the firm should be treated fairly.

- a) True
- b) False ✓ correct

Correct answer: False

Q12. [True/False]

The property principle involves making affirmative efforts for those individuals who need help in their personal pursuits, and it also helps protect those individuals who are vulnerable to unethical actions.

- a) True
- b) False ✓ correct

Correct answer: False

Q13. [True/False]

The supporters of the ethical egoism theory would argue that businesses should focus solely on their own self-interests and maximize their level of profitability by developing a strong competitive advantage.

- a) True ✓ correct
- b) False

Correct answer: True

Q14. [True/False]

The traditional components of fiduciary duty include fair competition and procedural fairness.

- a) True
- b) False ✓ correct

Correct answer: False

Q15. [True/False]

The transparency principle is based on the belief that every employee should conduct business in a truthful and open manner.

- a) True ✓ correct
- b) False

Correct answer: True

Q16. [True/False]

The values that an individual uses to interpret whether any particular action or behavior is considered legal or illegal are called *ethics*.

- a) True
- b) False ✓ correct

Correct answer: False

Medium

Multiple Choice (28)

Q17. [Multiple Choice]

According to existentialist philosophy, how can individuals develop their own sense of personal virtue?

- a) by adhering to universal principles
- b) by being authentic in their actions ✓ correct
- c) by focusing on duty-based actions
- d) by examining the consequences of their actions

Q18. [Multiple Choice]

According to the 2020 Global Integrity Report by Ernst and Young (EY), what percentage of junior employees were not confident that top-level management abides by relevant laws and industry regulations?

- a) 35%
- b) 41%
- c) 53% ✓ correct
- d) 58%

Q19. [Multiple Choice]

According to the text, individuals can rely on _____ to learn how to determine “right” from “wrong.”

- a) themselves
- b) religious affiliations ✓ correct
- c) genealogy
- d) socioeconomic status

Q20. [Multiple Choice]

Business ethics in a free enterprise society involves addressing the moral importance of _____.

- a) profitability and financial success
- b) compliance with legal regulations
- c) efficiency internal processes
- d) both the "ends" and the "means" ✓ correct**

Q21. [Multiple Choice]

From a legal standpoint, _____ ethics would address the "motive" behind the actions instead of just being satisfied with a description of the actions.

- a) analytical ✓ correct**
- b) descriptive
- c) normative
- d) constructive

Q22. [Multiple Choice]

In the context of moral values, integrity is described as _____.

- a) adhering to one's moral beliefs even at great personal cost
- b) embodying characteristics such as prudence and trustworthiness
- c) having a clear conscience and being at peace with one's actions ✓ correct**
- d) focusing on the moral importance of the "ends" and "means"

Q23. [Multiple Choice]

Sidgwick's dualism argues that _____ is necessary in an individual's actions.

- a) utility
- b) rational benevolence ✓ correct**
- c) ego
- d) an ethic

Q24. [Multiple Choice]

Supporters of _____ state that this theory is the only one that captures the essence of benevolent behavior.

- a) utilitarianism ✓ correct**
- b) Sidgwick's dualism
- c) ethical egoism
- d) Kant's ethics

Q25. [Multiple Choice]

The _____ principle is based on the assumption that every employee should act as a responsible citizen in the community.

- a) reliability
- b) dignity
- c) citizenship ✓ correct**
- d) fiduciary

Q26. [Multiple Choice]

The _____ principle is based on the assumption that there are no actual or potential conflicts of interest between the employee and the firm.

- a) property
- b) dignity
- c) citizenship
- d) fiduciary ✓ correct**

Q27. [Multiple Choice]

The _____ principle is based on the belief that it is the employee's responsibility to honor the commitments he or she has made to the firm.

- a) **reliability ✓ correct**
- b) responsiveness
- c) self-respect
- d) transparency

Q28. [Multiple Choice]

The _____ principle is the belief that employees have a responsibility to supply information when it is requested by various stakeholders.

- a) reliability
- b) **responsiveness ✓ correct**
- c) self-respect
- d) transparency

Q29. [Multiple Choice]

The consequences of an individual's actions, as mentioned in the text, emphasize the moral importance of _____.

- a) intentions behind the actions
- b) personal gain and benefit
- c) **the "ends" and the "means" ✓ correct**
- d) social approval and recognition

Q30. [Multiple Choice]

The supporters of _____ argue that this framework is the only ethical mold that captures the essence of motivation within individuals.

- a) utilitarianism
- b) Sidgwick's dualism
- c) **ethical egoism ✓ correct**
- d) Kant's ethics

Q31. [Multiple Choice]

Traditional examples of violations of the _____ principle include theft, misappropriation of funds, and wasting resources.

- a) reliability
- b) dignity
- c) **property ✓ correct**
- d) transparency

Q32. [Multiple Choice]

What allows animal instincts to control the appetite of an individual?

- a) lust
- b) **gluttony ✓ correct**
- c) greed
- d) pride

Q33. [Multiple Choice]

What did Dante call love of justice perverted to revenge and spite?

- a) **wrath ✓ correct**
- b) envy
- c) pride
- d) greed

Q34. [Multiple Choice]

Which ethical framework focuses on the duty or obligation in determining whether the actions are wrong or right?

- a) teleologic
- b) Sidgwick's dualism
- c) **deontology ✓ correct**
- d) ethical egoism

Q35. [Multiple Choice]

Which of Ross's seven guiding principles is concerned with the fair distribution of goods?

- a) fidelity
- b) reparation
- c) gratitude
- d) **justice ✓ correct**

Q36. [Multiple Choice]

Which of the following is an example of fairness?

- a) responsiveness fairness
- b) citizenship fairness
- c) transparency fairness
- d) **distributive fairness ✓ correct**

Q37. [Multiple Choice]

Which teleological framework focuses on individuals pursuing their own self-interest?

- a) **ethical egoism ✓ correct**
- b) utilitarianism
- c) Kant's ethics
- d) Sidgwick's dualism

Q38. [Multiple Choice]

_____ attempted to resolve the fundamental difference of whether the actions for one's self-benefit impact just the individual or others.

- a) Utilitarianism
- b) **Sidgwick's dualism ✓ correct**
- c) Ethical egoism
- d) Kant's ethics

Q39. [Multiple Choice]

_____ ethics allows employees and managers to address potential ethical issues before they occur.

- a) Analytical
- b) Descriptive
- c) **Normative ✓ correct**
- d) Constructive

Q40. [Multiple Choice]

_____ ethics is used when an observer wants to understand the course of events that generated the ethical issue.

- a) Analytical
- b) Descriptive ✓ correct**
- c) Normative
- d) Constructive

Q41. [Multiple Choice]

_____ evaluates people's actions based on the net result of their actions on the community.

- a) Utilitarianism ✓ correct**
- b) Sidgwick's dualism
- c) Ethical egoism
- d) Kant's ethics

Q42. [Multiple Choice]

_____ is based on the belief that all individuals agree to social contracts to be a member within a society.

- a) Intuitionism
- b) Existentialism
- c) Contractarianism ✓ correct**
- d) Kant's Ethics

Q43. [Multiple Choice]

_____ is based on the underlying belief that the only person who can determine right and wrong is based on the free will of the person making the decision.

- a) Intuitionism
- b) Existentialism ✓ correct**
- c) Contractarianism
- d) Kant's Ethics

Q44. [Multiple Choice]

_____ is the trait of an individual who has obsessive and compulsive continuous thoughts of sexual desire.

- a) pride
- b) envy
- c) lust ✓ correct**
- d) sloth

True/False (2)

Q45. [True/False]

Utilitarianism as developed by Jeremy Bentham holds that the individual best serves oneself by providing the greatest good for a small number of productive individuals.

- a) True
- b) False ✓ correct**

Correct answer: False

Q46. [True/False]

Within the analytical ethics context, there is no interpretation of the facts or assumptions concerning why certain courses of action took place.

- a) True
- b) False ✓ correct**

Correct answer: False

Essay (5)

Q47. [Essay]

In a short essay, list and describe five of the eight major underlying principles in which ethical behavior can be interpreted and evaluated.

Suggested answer: Sample response: a. *Fiduciary principle*—the traditional components of fiduciary duty include ensuring that there are no actual or potential conflicts of interest given the actions of the employee. It also is implied that each employee will not put his or her self-interests above the interest of the firm b. *Property principle*—based on the belief that every employee should respect property as well as the rights of the owners of the property c. *Reliability principle*—based on the belief that it is the employee's responsibility to honor commitments he or she has made to the firm d. *Transparency principle*—based on the belief that every employee should conduct business in a truthful and open manner e. *Dignity principle*—based on the belief that each employee needs to respect the dignity of all individuals f. *Fairness principle*—based on the belief that stakeholders who have a vested interest in the firm should be treated fairly g. *Citizenship principle*—based on the belief that every employee should act as a responsible citizen in the community h. *Responsiveness principle*—based on the belief that employees have a responsibility to respond to requests for information about the operations from the various stakeholders

Q48. [Essay]

In a short essay, list and discuss five of the seven deadly sins described as one of the founding areas of guidance for those unsure about their ethical standing.

Suggested answer: Sample response: a. *Lust*—defined as the trait of an individual who has obsessive and compulsive continuous thoughts of sexual desire b. *Gluttony*—defined as when an individual over indulges and over consumes anything good to the point that the good is wasted when it is consumed c. *Greed*—defined as an excessive desire by the individual to obtain wealth, status, and power d. *Sloth*—can be defined as being lazy and indifferent about one's own actions e. *Wrath*—defined as an uncontrollable level of anger or rage f. *Envy*—relates to focusing on one's own self-interests in the desire to obtain qualities or possessions of another person g. *Pride*—relates to being considered above or "superior" to another person

Q49. [Essay]

In a short essay, list and discuss five of the seven guiding principles that W.D. Ross presented as the basis of how individuals develop a level of intuition that becomes incorporated in their decision-making process.

Suggested answer: Sample response: a. *Fidelity*—an individual needs to keep explicit and implicit promises b. *Reparation*—an individual must act on repairing the consequences for previous wrongful acts c. *Gratitude*—an individual must be able to show gratitude for the kindnesses that others have given him or her d. *Justice*—an individual should try to see that any goods are fairly distributed e. *Beneficence*—an individual should focus on trying to improve the lives of others f. *Self-improvement*—an individual should improve himself or herself by focusing on virtue and intelligence g. *Noninjury*—an individual should not cause any harm to others

Q50. [Essay]

In a short essay, list and discuss the three deontological frameworks.

Suggested answer: Sample response: a. *Existentialism*—based on the underlying belief that the only person who can determine right and wrong is based on the free will of the person making the decisions. b. *Contractarianism*—also called social contract theory, is based on the belief that all individuals agree to social contracts to be a member within a society. c. *Kant's ethics*—Kant argues that the free will to make decisions that were considered rational needed to be converted into a universal will. Kant's ethical view is considered a dualism because it attempts to bridge the gap between the existentialist and contractarian points of view.

Q51. [Essay]

In a short essay, list and discuss the three teleological frameworks.

Suggested answer: Sample response: a. *Ethical egoism*—based on the belief that every individual should act in a way to promote himself or herself if the net result will generate, on balance, positive rather than negative results. b. *Utilitarianism*—can be based on single acts of individuals (act utilitarianism) or on guiding behavior indirectly through an evaluation of ethical conduct via rules procedures (rule utilitarianism). c. *Sidgwick's dualism*—attempted to bridge the gap between the two competing frameworks of ethical egoism and utilitarianism. At the core of the argument is that both previous theories had elements of using cost-benefit analysis to help analyze the actions of individuals. Sidgwick's dualism attempted to resolve the fundamental difference of whether the actions for one's self-benefit impact just the individual or others.

Hard

Multiple Choice (4)

Q52. [Multiple Choice]

How do Rio Tinto's actions to maximize shareholder wealth, despite their legality, align with ethical principles and corporate governance?

- a) They reflect a commitment to social responsibility.
- b) They demonstrate fair and just corporate practices.
- c) **They violate ethical norms and stakeholder trust. ✓ correct**
- d) They adhere to principles of transparency and accountability.

Q53. [Multiple Choice]

If a board member admits they would ignore unethical conduct by a third party for career advancement, what potential consequences might this have on organizational culture and employee behavior?

- a) increased trust in leadership
- b) enhanced ethical work environment
- c) **tolerance for unethical behavior ✓ correct**
- d) improved employee morale

Q54. [Multiple Choice]

If an employee believes they could report unethical wrongdoing without fear of punishment, how might this impact the organization's ethical climate?

- a) **improved transparency and accountability ✓ correct**
- b) decreased employee engagement
- c) higher tolerance for unethical behavior
- d) negative impact on the firm's reputation

Q55. [Multiple Choice]

The trolley problem is an example of _____.

- a) Sidgwick's dualism
- b) Kant's ethics
- c) **an ethical dilemma ✓ correct**
- d) a violation of ethical egotism

Essay (1)

Q56. [Essay]

Apply the dignity principle to intercultural interactions. Explain one key aspect that employees should be sensitive to when interacting with people from other cultures and countries.

Suggested answer: Sample response: The dignity principle is based on the belief that people should do all that they can to protect the human rights of health, safety, and privacy. Further, employees should be sensitive to cultural differences, fostering respectful and considerate interactions with individuals from diverse cultures and countries.