

Package Title: Godfrey Test Bank  
Course Title: Ethics and Business WileyPLUS  
Chapter Number 1

Question type: Multiple-Choice

1) The Greek word *hexis* is used to describe which of the following?

- a) group moral virtues
- b) individual moral virtue
- c) the second domain of human action
- d) the individual ethical choices taken throughout one's life

Answer: b

Title: Chapter 1 Test Bank, Question 1  
Difficulty: Easy  
Bloomcode: Comprehension  
Min: 1  
AACSB: Ethics  
Learning Objective: LO 1.1 Define ethics and the domain of business ethics.  
Section Reference: Sec 1.1 Ethics and Business Ethics  
Solution: The Greek word *hexis* is used to describe individual moral virtue.

2) The third domain of human action requires

- a) obedience to the unenforceable, where no punishment arises from non-conformance
- b) obedience to enforceable laws, where punishment is applied for non-conformance
- c) obedience to all laws, both enforceable and unenforceable
- d) obedience to legal mandates only

Answer: a

Title: Chapter 1 Test Bank, Question 2  
Difficulty: Easy  
Bloomcode: Comprehension  
Min: 1  
AACSB: Ethics  
Learning Objective: LO 1.1 Define ethics and the domain of business ethics.  
Section Reference: Sec 1.1 Ethics and Business Ethics  
Solution: The third domain of human action requires “obedience to the unenforceable,” or conformance with norms and principles where no punishment arises from non-conformance.

3) Business ethics involves which of the following?

- a) the ethical dimensions of productive organizations and noncommercial activities
- b) the ethical dimensions of productive organizations and commercial activities
- c) absolute adherence to all ethical guidelines, rules, and laws
- d) an understanding of how to avoid punishment for wrongdoing

Answer: b

Title: Chapter 1 Test Bank, Question 3

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Business ethics involves the “ethical dimensions of productive organizations and commercial activities.”

4) Many firms have a mission statement that contains which of the following?

- a) an ethical guide to all scenarios that an employee may encounter
- b) a guide to ensuring the company avoids prosecution
- c) clearly defined principles of conduct that define right and wrong behavior
- d) a guide to illegal versus unethical behavior

Answer: c

Title: Chapter 1 Test Bank, Question 4

Difficulty: Easy

Bloomcode: Knowledge

Min: 1

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Many companies have clearly defined principles of conduct that define right and wrong behavior, often contained in a mission statement.

5) Which of the following provides the greatest contrast to a philosophical approach to ethics?

- a) fulfillment
- b) principles
- c) compliance

d) love

Answer: c

Title: Chapter 1 Test Bank, Question 5

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: Fulfillment, principles, and love all pertain to a philosophical approach, whereas compliance pertains to the alternative pragmatic approach and thus stands as the correct answer.

6) Instrumental ends are things that are

- a) bad, because they cause further bad things to happen
- b) good, because they lead to something else
- c) good in and of themselves
- d) bad in and of themselves

Answer: b

Title: Chapter 1 Test Bank, Question 6

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Instrumental ends are things that are good because they lead to something else.

7) Intrinsic ends are things that are

- a) bad in and of themselves
- b) good in and of themselves
- c) good, because they lead to something else
- d) bad, because they cause further bad things to happen

Answer: b

Title: Chapter 1 Test Bank, Question 7

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Intrinsic ends are things that are good or desirable in and of themselves.

8) Ultimate ends are sometimes also referred to as

- a) instrumental ends
- b) moral components
- c) intrinsic ends
- d) ethical and moral ends

Answer: c

Title: Chapter 1 Test Bank, Question 8

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Ultimate ends are sometimes also referred to as intrinsic ends.

9) The moral component of an ethical challenge

- a) may be an input or output to an ethical decision
- b) is best disregarded by employees and managers
- c) is irrelevant if the issue is legal
- d) may cause employees to make poor ethical decisions

Answer: a

Title: Chapter 1 Test Bank, Question 9

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: The moral component of an ethical challenge may be input or output to an ethical decision.

10) For business executives and firm managers, many of their ethical temptations arise from

- a) a conflict between their roles as agents of the business and their own personal ethical values
- b) a conflict between what is good for the shareholders versus other stakeholders of the business
- c) a conflict between balancing work life and family life
- d) ensuring a fair balance between employee morale and productivity

Answer: a

Title: Chapter 1 Test Bank, Question 10

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: For business executives and firm managers, many of their ethical temptations arise from a conflict between their roles as agents of the business and their own personal ethical values.

11) The business and ethics trade-off framework contains

- a) two quadrants, focused on the employee and the employer
- b) three quadrants, focused on the employee, employer, and stockholders
- c) four quadrants, focused on actions that may be ethical/unethical and good/bad for the business
- d) four quadrants, focused on actions that may be good for firm stakeholders but not employees

Answer: c

Title: Chapter 1 Test Bank, Question 11

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: The business and ethics trade-off framework contains four quadrants, focused on actions that may be ethical/unethical and good/bad for the business.

12) When professionals face the temptations in quadrants one and four of the business and ethics trade-off framework, they

- a) typically resign from the company
- b) attempt to resolve these temptations by employing moral courage
- c) attempt to resolve these temptations by deferring the decision to a supervisor
- d) typically, will act in their own best interests

Answer: b

Title: Chapter 1 Test Bank, Question 12

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: When professional face the temptations in quadrants one and four of the business and ethics trade-off framework, they attempt to resolve these temptations by employing moral courage.

13) In the context of the business and ethics trade-off framework, moral creativity

- a) speaks to an employee's ability to be morally creative when faced with an ethical dilemma
- b) speaks to a professional's ability to find a solution that resolves the temptation by finding a way to move the decision into either quadrant two or three
- c) is seldom employed or shown by executives, as their focus is typically on self-enrichment
- d) can be enforced by state and federal laws

Answer: b

Title: Chapter 1 Test Bank, Question 13

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: In the context of the business and ethics trade-off framework, moral creativity speaks to a professional's ability to find a solution that resolves the temptation by finding a way to move the decision into either quadrant two or three.

14) Which of the quadrants of the business and ethics trade-off framework describes a situation where the action is both good for the business and ethically correct?

- a) quadrant I
- b) quadrant II
- c) quadrant III
- d) quadrant IV

Answer: b

Title: Chapter 1 Test Bank, Question 14

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: Quadrant II covers a situation where the action is both good for the business and ethically correct. The decision is a clear yes.

15) Quadrant three of the business and ethics trade-off framework describes a situation where the action is

- a) both good for the business and ethically correct
- b) both bad for the business and ethically improper
- c) bad for the business but ethically correct
- d) good for the business but morally improper

Answer: b

Title: Chapter 1 Test Bank, Question 15

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: Quadrant three of the business and ethics trade-off framework describes a situation where the action is both bad for the business and ethically improper.

16) The integrated approach to business ethics described in the chapter relates to

- a) integrating both the pragmatic and philosophical approaches to business ethics
- b) integrating both the legal and moral aspects of ethics into one's approach
- c) integrating both the corporate and individual approach to ethics
- d) integrating both greed and benevolence

Answer: a

Title: Chapter 1 Test Bank, Question 16

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The integrated approach to business ethics described in the chapter relates to integrating both the pragmatic and philosophical approaches to business ethics.

17) The difference between pragmatic and philosophical approaches to business ethics is that

- a) one focuses on staying out of trouble and the other focuses on being good
- b) one is about individuals and the other is about organizations
- c) one is realistic and the other is unrealistic
- d) one is for corporations and the other is for religious organizations and charities

Answer: a

Title: Chapter 1 Test Bank, Question 17

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: Pragmatic and philosophical approaches can be about either individuals or organizations. While a pragmatic approach does lend itself to being more "realistic," the difference between the two is not that one is and the other is not realistic, but that their starting points are different. A difference is that pragmatism focuses more on compliance and staying out of trouble, whereas the philosophical approach aims to live up to principles of the good.

18) The two approaches to ethical issues described in the DRAFT model

- a) are transactional for the pragmatic approach and theoretical for the philosophical approach
- b) are theoretical for the pragmatic approach and transactional for the philosophical approach
- c) are governed by strict rules and sanctions
- d) speak to compliance and avoiding harm

Answer: a

Title: Chapter 1 Test Bank, Question 18

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The two approaches to ethical issues described in the DRAFT model are transactional for the pragmatic approach and theoretical for the philosophical approach.

19) A pragmatic approach to fundamental governance mechanisms

- a) deals with principles and intrinsic rewards
- b) speaks to the expression of positive ethical behaviors
- c) deals with rules and sanctions and external control to counter incentives for unethical behavior
- d) speaks to constrained business agents acting in the face of incentives that limit moral choices

Answer: c

Title: Chapter 1 Test Bank, Question 19

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: A pragmatic approach to fundamental governance mechanisms deals with rules and sanctions and external control to counter incentives for unethical behavior.

20) The target for the philosophical approach to business ethics is

- a) attempting to maintain compliance and avoiding harm
- b) happiness, fulfillment, and doing good
- c) to enhance the organization's public image
- d) to achieve personal gain through benevolence

Answer: b

Title: Chapter 1 Test Bank, Question 20

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The target for the philosophical approach to business ethics is happiness, fulfillment, and doing good.

21) One of the main ethical issues identified in the WeWork case in the chapter for Adam Neumann was that Neumann

- a) was overly focused on self-enrichment and self-dealing
- b) didn't have a clear, focused business vision
- c) didn't control enough of the company, making it hard to get things done
- d) didn't take an ethics class in college

Answer: a

Title: Chapter 1 Test Bank, Question 21

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: One of the main ethical issues for Adam Neumann that were identified in the WeWork case in the chapter was that he was overly focused on self-enrichment and self-dealing.

22) The DfG (Days for Girls) POD (Portable Object of Dignity) created by Celeste Mergens

- a) helped to empower girls by putting them out in the community and removing a substantial barrier to education
- b) caused problems due to landfills not having the capacity to process the waste
- c) unfortunately turned out to be overly expensive to produce
- d) is a patented, cloth-based, one-time-use set of absorbent pads for females

Answer: a

Title: Chapter 1 Test Bank, Question 22

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: The DfG (Days for Girls) POD (Portable Object of Dignity) created by Celeste Mergens helped to empower girls by putting them out in the community and removing a substantial barrier to education.

23) Activist Tarana Burke first used the phrase “Me Too” in 2006 to

- a) draw attention to the plight of orphanages around the world
- b) bring attention to the problem of sexual abuse among women of color
- c) create public awareness around the issue of illegal trash dumping
- d) bring attention to the glass ceiling for women in the workplace

Answer: b

Title: Chapter 1 Test Bank, Question 23

Difficulty: Easy

Bloomcode: Comprehension

Min: 1

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Activist Tarana Burke first used the phrase “Me Too” to bring attention to the problem of sexual abuse among women of color.

24) The business and ethics trade-off framework can be used to

- a) determine if an action is ethically correct and is good for the business
- b) help employees determine the right time to leave a job
- c) prosecute executives who are caught committing fraud
- d) ensure fair and equitable pay and working conditions for all employees

Answer: a

Title: Chapter 1 Test Bank, Question 24

Difficulty: Easy

Bloomcode: Comprehension

Min:

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: The business and ethics trade-off framework can be used to determine if an action is ethically correct and is good for the business.

25) Which of the following is the best example of the third domain?

- a) Greta organizes the monthly staff meeting because it is considered her turn.
- b) Harry performs his monologue to fulfill his course obligations.
- c) Izzy works two hours of overtime mandated by her boss.
- d) Jeffrey refuses a vendor gift because his company forbids him to do so.

Answer: a

Title: Chapter 1 Test Bank, Question 25

Difficulty: Medium

Bloomcode: Application

Min: 1

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: This third domain of human action requires “obedience to the unenforceable,” or conformance with norms and principles where no punishment arises from nonconformance.

26) If Adam Neumann had decided to share voting power in WeWork, one could categorize his decision as

- a) mostly about his desire to stay out of jail
- b) an example of the third domain of human action
- c) complying with a regulation of the Securities and Exchange Commission
- d) a means for sharing responsibility for the governance of the organization and deflecting personal blame

Answer: b

Title: Chapter 1 Test Bank, Question 26

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Sharing voting power has nothing to do with any legal requirements, either to stay out of jail or to comply with an SEC regulation. However, it would be an example of the choice he could make.

27) Which of the following represents a compelling reason to study business ethics in college?

- a) to learn how to avoid getting caught or going to jail for misconduct in business
- b) to learn how the role of business ethics in one's life can better prepare him or her for a successful career
- c) to understand how to increase the profitability of his or her firm legally
- d) to learn about how people got caught for misconduct in business and how to avoid those strategies

Answer: b

Title: Chapter 1 Test Bank, Question 27

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: A compelling reason to study business ethics in college is to learn about the role business ethics plays in one's life and how this knowledge can prepare someone for a more successful career.

28) Many firms have formulated and promulgated clearly defined principles of conduct that help to define right and wrong behavior. These principles

- a) are typically optional for employees and may be followed at their discretion
- b) are designed to help align the values of the employee with those of the organization
- c) help to eliminate all wrongdoing within the firm
- d) ensure that the firm can never be prosecuted or sued because of the conduct of its employees

Answer: b

Title: Chapter 1 Test Bank, Question 28

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Firm principles of conduct are typically clearly defined and help delineate right versus wrong behavior. They are often contained in a company's mission statement.

29) Which of the following represents a question that can lead one to moral goodness?

- a) Can we repair the firm's image by creating a public relations campaign portraying it as behaving ethically?
- b) Can we reduce payroll costs by moving our manufacturing process to a country with lax labor laws?
- c) How can we avoid revamping out headquarters to meet the new environmental standards?
- d) How can we help our employees achieve work-life balance?

Answer: d

Title: Chapter 1 Test Bank, Question 29

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Asking oneself questions about how to create a life of meaning and positive purpose has been central to philosophers since the dawn of civilization.

30) Which of the following most accurately describes the concept of ethics?

- a) the ability to do the right thing when people are watching
- b) principles of conduct governing an individual or group
- c) principles of governance that employees and citizens must abide by in order to thrive
- d) part of the third domain of human action.

Answer: b

Title: Chapter 1 Test Bank, Question 30

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Ethics is often defined as "principles of conduct governing an individual or group."

31) One area of ethics is business ethics. Which of the following most appropriately describes the area of business ethics?

- a) Business ethics deals with the principles of conduct governing an individual or group.
- b) Business ethics focuses exclusively on how businesses can do more good for their stakeholders.
- c) Business ethics deals with the ethical dimensions of productive organizations and commercial activities.
- d) Business ethics focuses on the ethical dimensions of non-commercial activities and productive entities.

Answer: c

Title: Chapter 1 Test Bank, Question 31

Difficulty: Medium

Bloomcode: Analysis

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Business ethics focuses on the ethical dimensions of productive organizations and commercial activities.

32) The idea of avoiding ethical harm

- a) has been central to philosophers since the dawn of civilization
- b) has been studied by scholars, executives, and policy makers for much of the twentieth century
- c) has become purely the domain of industry and practitioners
- d) has become solely the domain of academia and scholarly research

Answer: b

Title: Chapter 1 Test Bank, Question 32

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: The idea of avoiding ethical harm has been studied by scholars, executives, and policy makers for much of the twentieth century.

33) Which of the following represents the best example of a manager facing an ethical challenge?

- a) Adam must choose between two highly qualified candidates for the job opening.
- b) Brylee has been offered a reduced fee for services if she pays the vendor in cash.
- c) Carson strategizes ways to improve company financials.

d) Divya studies the employee satisfaction survey in an effort to improve employee retention.

Answer: b

Title: Chapter 1 Test Bank, Question 33

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Examples of ethical challenges that a manager or executive may face could be bribery, promise keeping, and the abuse of power.

34) The third domain of human action was the foundation of

- a) a company's employee handbook
- b) the free market economy
- c) government regulations
- d) local and federal law

Answer: b

Title: Chapter 1 Test Bank, Question 34

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: This third domain of human action requires "obedience to the unenforceable," or conformance with norms and principles where no punishment arises from nonconformance.

35) All of the following fall under the purview of business ethics EXCEPT

- a) for-profit organizations
- b) federal, state, and local law
- c) social-profit organizations
- d) governmental entities

Answer: b

Title: Chapter 1 Test Bank, Question 35

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: The purview of business ethics generally deals with for-profit, social profit, and governmental entities.

36) Andy and Craig are in the process of forming a new for-profit firm. As they discuss the employees they will need to hire, Andy asks Craig how they might go about ensuring that their employees act ethically and in the firm's best interests. Which of the following responses by Craig would be most appropriate?

- a) We should make every employee agree to take a monthly drug test. This will suggest that the company will abide only ethical, law-abiding behavior.
- b) We should consider drafting and promulgating an employee code of conduct. Each employee should have to read and sign it to say he or she understands it and will abide by it.
- c) We should seek to hire only applicants from businesses known for their ethical standards. This will ensure no unethical behavior occurs.
- d) We should offer bonuses to employees who turn in colleagues whose behavior may be considered unethical. This will ensure an ethical culture.

Answer: b

Title: Chapter 1 Test Bank, Question 36

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Andy and Craig should consider drafting and promulgating a code of conduct that every employee should be required to read and sign.

37) Evelyn is working with Francois, a new representative for a corporate customer. Though Evelyn told her manager she finds Francois annoyingly arrogant, her manager knows Evelyn will treat Francois well because

- a) she follows the norms of civility, kindness, and respect
- b) she is bound by the company's employee handbook
- c) she follows federal, state, and local laws
- d) she is bound by company rules and regulations regarding civility, kindness, and respect

Answer: a

Title: Chapter 1 Test Bank, Question 37

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.1 Define ethics and the domain of business ethics.

Section Reference: Sec 1.1 Ethics and Business Ethics

Solution: Despite the existence of federal and state laws, and company rules, regulations, and codes of conduct, business activities still rely on people acting with civility, kindness, and respect.

38) In the context of business ethics, the moral component refers to which of the following?

- a) the need to study the works of the world's greatest philosophers
- b) the expectation that the population in its entirety will act morally
- c) that ethical challenges focus on what is right and wrong, good and bad
- d) the idea that morality is inherent within us and cannot be taught

Answer: c

Title: Chapter 1 Test Bank, Question 38

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: In the context of business ethics, the moral component refers to the idea that ethical challenges focus on what is right and wrong, good or bad.

39) Fifty-year-old Katya enjoys good health and exercises frequently. She appreciates that she is physically able to play tennis with her friends, takes few medications, and pays a lower-than-average premium for her life insurance. Which of the following statements most accurately describes this example?

- a) Good health is intrinsic, but not instrumental.
- b) Good health is instrumental, but not intrinsic.
- c) Good health is both intrinsic and instrumental.
- d) Good health is neither intrinsic nor instrumental.

Answer: d

Title: Chapter 1 Test Bank, Question 39

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Good health could be considered as having both instrumental and intrinsic ends, as health is good in and of itself, and may lead to other things.

40) Which of the following best exemplifies intrinsic moral goods?

- a) equal pay raises for all employees in a firm
- b) fairness and transparency in a firm
- c) a firm reducing its turnover rates
- d) a firm increasing its homeshoring opportunities

Answer: b

Title: Chapter 1 Test Bank, Question 40

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Fairness and transparency are the most appropriate examples of intrinsic moral goods in a firm, as they are valued in and of themselves.

41) Many business decisions involve moral outcomes because

- a) a high percentage of employees are dishonest and commit fraudulent activities
- b) inevitably situations arise in business that don't always have an easy answer or solution
- c) so many firms these days operate multinationally, which causes conflicts between cultures
- d) the tone at the top is often permeated by cheating, dishonesty, and greed

Answer: b

Title: Chapter 1 Test Bank, Question 41

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Many business decisions involve moral outcomes because situations invariably arise in business that don't always have an easy answer or solution.

42) Which of the following most appropriately describes the benefits of an ecologically sustainable world?

- a) It will help businesses increase their profitability and bottom line for shareholders.
- b) It represents an ultimate moral end, as it is good in and of itself.
- c) It will allow the use of fossil fuels for a longer period of time.
- d) It will solve any future global energy crisis.

Answer: b

Title: Chapter 1 Test Bank, Question 42

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: An ecologically sustainable world represents an ultimate moral end, as it is good in and of itself.

43) Duress can sometimes be a problem in ethical decision making because

- a) the person making the decision may feel pressured or coerced into deciding a particular way
- b) a decision made under duress can usually be reversed in a court of law, making it ineffective
- c) most people don't like to make decisions, and others have to help them do so in an assertive manner
- d) an individual may not realize that he or she is under duress

Answer: a

Title: Chapter 1 Test Bank, Question 43

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Duress can sometimes be a problem in ethical decision making because the person making the decision may feel pressured or coerced into deciding a particular way.

44) Which of the following is recognized by contract law as a condition where an actor is under duress?

- a) The threat of harm is neither illegal nor immoral.
- b) The actor has placed himself or herself in the position voluntarily.
- c) The actor has been threatened with significant harm.
- d) The threat of harm is extremely low.

Answer: c

Title: Chapter 1 Test Bank, Question 44

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: A condition where an actor would be considered under duress in contract law would be when the actor has been threatened with significant harm.

45) Which of the following is not a sign of duress under contract law?

- a) There is a significant threat of harm to the actor.
- b) The threat is illegal and immoral.
- c) The threat of harm is imminent and has a high probability of being carried out.
- d) The actor has placed himself or herself into the situation voluntarily.

Answer: d

Title: Chapter 1 Test Bank, Question 45

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Under conditions of duress, the actor would have not voluntarily placed him- or herself in the situation.

46) Which of the following examples describes a situation in which a decision most likely will be made under duress?

- a) A supervisor asks an employee to work on a report that is due next week.
- b) A friend asks to borrow money and will return the money at the end of the month.
- c) A company executive pressures an accountant to adjust accounts to improve the appearance of profitability.
- d) A board of directors asks the chief financial officer to step down due to misconduct.

Answer: c

Title: Chapter 1 Test Bank, Question 46

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: A company executive pressuring an accountant to adjust the books to make the company look more profitable would be an example of a decision the accountant may make under duress.

47) Which of the following statements about duress in organizational situations is true?

- a) People who hold positions of power and authority in companies often abuse it without awareness.
- b) There is often a power differential between the two parties.
- c) People who find themselves under duress rarely take the “escape routes” offered to them.
- d) The threats made are unlikely to be enforced.

Answer: b

Title: Chapter 1 Test Bank, Question 47

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: In organizational situations, duress is often a function of the power differential between a person requesting/demanding a certain action and the one being asked.

48) Which of the following most accurately describes the concept of agency?

- a) Agency is defined by the delineation between internal and external stakeholders of a company.
- b) Agency refers to the ethics of price fixing and price gouging.
- c) Agency deals with executives and employees acting as proxies for the owners of the business.
- d) Agency is associated with the stockholders of a firm being answerable to the owners.

Answer: c

Title: Chapter 1 Test Bank, Question 48

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: Agency refers to executives, managers, and employees acting as agents of the organization that hired them.

49) Which of the following most accurately describes a fiduciary?

- a) A fiduciary is hired by the stockholders to audit the accounts of the firm.
- b) A fiduciary is contracted by law to be legally responsible for the firm.
- c) A fiduciary is an agent who has custody over things of value to the principle and a responsibility to act in the best interests of the principle he or she represents.
- d) A fiduciary is an agent hired by the firm's stockholders and is responsible for ensuring that the firm effectively controls its costs.

Answer: c

Title: Chapter 1 Test Bank, Question 49

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: A fiduciary is an agent who has custody over things of value to the principle and a responsibility to act in the best interests of the principle he or she represents.

50) You are the executive director a food bank in your local area. As a charitable organization, you are not required to pay taxes. As such, you have all of the following fiduciary duties EXCEPT

- a) to act in good faith and in a manner that you reasonably believe is in the best interest of the organization
- b) to avoid untoward risk or potential harm to the interests of the principal
- c) to ensure the organization conforms to the purposes that allow the organization its tax-exempt status from the IRS
- d) to act in ways that demonstrate loyalty to the organization over individual interests

Answer: a

Title: Chapter 1 Test Bank, Question 50

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: For executives and board members of exempt organizations, there are three fiduciary duties: the duty of loyalty, which requires the fiduciary to act in good faith and in a manner that they reasonably believe is in the best interest of the organization, the duty of care, which requires the fiduciary to avoid untoward risk, and the duty of obedience, which requires the fiduciary to ensure the organization conforms to the purposes that allow the organization its tax-exempt status from the IRS.

51) When an employee accepts a job with a new company, the employee

- a) owes no fiduciary responsibility to the firm's owners
- b) only owes a fiduciary responsibility to the firm's owners if he or she is employed at the executive level
- c) should attempt to avoid actions that may cause unnecessary risk to the firm
- d) should be made to sign a contract making him or her liable for errors made while working for the business

Answer: c

Title: Chapter 1 Test Bank, Question 51

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.2 Discuss how the constraints on managers influence ethical decision making in business.

Section Reference: Sec 1.2 The Dimensions of Ethical Choice

Solution: When an employee accepts a new job with a new company, the employee should make reasonable efforts to avoid taking actions that may cause unnecessary risk to the firm.

52) Recently promoted, Liam now works among the executive ranks in his company. While he is confident in his skills, Liam is apprehensive about ethical temptations because they are based on his

- a) lack of understanding of how the business functions on a day-to-day basis
- b) conflicting roles as agent of the business and his personal ethical values
- c) being able to raise the stock price sufficiently to cash in share options
- d) avoiding ethical issues associated with financial statement disclosures

Answer: b

Title: Chapter 1 Test Bank, Question 52

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: A common issue for executives is the potential conflict between their roles as agents of the business and their personal ethical values.

53) In the context of business ethics, moral courage refers to which of the following?

- a) the ability to circumvent the ethical issue at hand
- b) the ability to choose an option that is legal, even if it is unethical
- c) the ability and willingness to choose ethically, even when faced with negative consequences
- d) the courage to pursue actions, using the rationale that being caught is unlikely

Answer: c

Title: Chapter 1 Test Bank, Question 53

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: In the context of business ethics, moral courage refers to the ability and willingness to choose ethically, even when faced with negative consequences.

54) A scenario whereby a local firm could legally choose to dump waste products into a local stream to save money

- a) would be an example of a quadrant I situation, as the action is good for the business but morally improper
- b) would be an example of a quadrant II situation, as the action is both good for the business and ethically correct
- c) would be an example of a quadrant III situation, because the action would be both bad for the business and ethically improper
- d) would be an example of a quadrant IV situation, as the action is bad for the business but ethically correct

Answer: a

Title: Chapter 1 Test Bank, Question 54

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: A local firm choosing to legally dump waste products into a local stream to save money would be an example of a quadrant I situation, as this action is good for the firm (saves money) but may be morally questionable and improper.

55) A firm is contemplating moving into town, building a factory and offices, and hiring many of the town's population who had previously been unemployed long term. This type of situation is an example of a

- a) quadrant I situation because the decision will benefit both the firm and the town

- b) quadrant II situation, because the action would be both good for the firm and ethically correct
- c) quadrant III situation, because the action would benefit the firm, but not necessarily the firm's stakeholders
- d) quadrant IV situation, because the action would be the right thing to do, but may not necessarily help the firm

Answer: b

Title: Chapter 1 Test Bank, Question 55

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: This would be an example of a quadrant II situation, because the decision/action would be both good for the business and ethically correct.

56) Which of the following examples would be placed in quadrant III of the business tradeoff framework—bad for business and ethically problematic?

- a) Check cashing companies offer high-cost loans to low-income customers.
- b) Upon discovering one of its garment factories used low-paid child labor, Walmart moved production and paid higher wages to adult laborers.
- c) Volkswagen reduced its workforce without layoffs.
- d) Oil Chem dumped millions of gallons of liquid landfill into sewers in Flint, Michigan.

Answer: d

Title: Chapter 1 Test Bank, Question 56

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.3 Use the business and ethics trade-offs framework to differentiate between four types of ethical temptations business professionals face.

Section Reference: Sec 1.3 Ethical Challenges in Business

Solution: Based on the schematic provided in the book, there can be choices that have business benefits and those which have ethical benefits. Sometimes those connect well, as when an ethical action is also a good business action (e.g., Johnson & Johnson's Tylenol recall). In other cases, there is a trade-off with something being good for business, but ethically bad or something being ethically good, but not beneficial to the bottom line. The most harmful is when an action is both bad for business and bad ethics.

57) Mark Eberhard's decision to found Tesla Motors rather than buying a sports car after his divorce is an example of

- a) duress under contract law
- b) avoiding harm
- c) choice
- d) coercion

Answer: c

Title: Chapter 1 Test Bank, Question 57

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: There is no evidence in this question of Eberhard being under any kind of duress or coercion nor that his actions are being taken to avoid harm. Instead, he is exercising a choice.

58) Comparing the Corporate Credo of Johnson & Johnson to what we know of Adam Neumann's mission to become the world's first trillionaire, one could accurately differentiate the two by recognizing that

- a) one seeks compliance with the law and the other seeks to obey legal rules
- b) one aims for the acquisition of personal wealth, and the other sets out a way to respectfully work with many different coworkers, suppliers, and customers
- c) one seeks a greater good and the other seeks ethical virtue
- d) one is a story of corporate wealth acquisition, while the other is a story of personal acquisition of wealth

Answer: b

Title: Chapter 1 Test Bank, Question 58

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: Adam Neumann sought personal wealth while Johnson & Johnson's Credo provided a path to working respectfully with colleagues, suppliers, and consumers.

59) The chapter discusses the term *moral distribution*. What is meant by this term?

- a) This term refers to a normal distribution and discusses how the majority of people fall on the edges of the distribution.
- b) This term refers to how often people commit unethical behavior for which they are not caught.
- c) This term refers to the notion that there are a few very evil and very good people, and most people tend to fall in the middle.
- d) This term refers to the increasing incarceration rate in the United States.

Answer: c

Title: Chapter 1 Test Bank, Question 59

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The term *moral distribution* refers to the idea that there are a few very good and very evil people, and most others fall more toward the middle of the distribution.

60) Which of the following is the main differentiator of the targets between the pragmatic and philosophical approaches to business ethics?

- a) The pragmatic approach is concerned more with happiness and fulfillment.
- b) The philosophical approach focuses more on avoiding harm and compliance.
- c) The two approaches are identical, except for a few nuances.
- d) The pragmatic approach focuses more on compliance, whereas the philosophical approach focuses more on fulfillment.

Answer: d

Title: Chapter 1 Test Bank, Question 60

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The pragmatic approach focuses more on compliance, whereas the philosophical approach focuses more on fulfillment.

61) A transactional approach to business ethics focuses on which type(s) of question?

- a) Why should I engage in a certain type of behavior?
- b) What should I do in a certain situation?
- c) How can I pass this problem to someone else?
- d) All of the answer choices are correct.

Answer: b

Title: Chapter 1 Test Bank, Question 61

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The transactional approach focuses on a person asking what he or she should do in a given situation.

62) The main difference between the pragmatic and philosophical approaches with respect to the relationship between actors and decisions focuses on which of the following?

- a) One views ethical actors as constrained business agents, whereas the other views them as principals with real choice.
- b) One views the ethical actors as always acting in their own self-interests, and the other approach assumes they will put the firm's interest first.
- c) One views all ethical actors as constrained by ethical philosophical principles
- d) Both approaches assume that ethical actors are unconstrained business agents.

Answer: a

Title: Chapter 1 Test Bank, Question 62

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: The pragmatic approach views ethical actors as constrained business agents, whereas the philosophical approach views ethical actors as having real moral choice.

63) A key difference between the pragmatic and philosophical approaches to business ethics is that

- a) the pragmatic approach views ethical rewards as driving positive ethical behavior
- b) the philosophical approach views sanctions and rules as ensuring ethical behavior
- c) the philosophical approach views intrinsic rewards and self-control as the facilitators of positive ethical behavior
- d) the pragmatic approach focuses on internal control and strict punishments to facilitate ethical behavior

Answer: c

Title: Chapter 1 Test Bank, Question 63

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: A key difference between the two approaches is that the pragmatic approach focuses on intrinsic rewards and the internal self as the facilitators of ethical behavior.

64) People who have demonstrated that they are immoral and evil in their business dealings

- a) would likely follow the philosophical approach to business ethics
- b) are likely to be in a small tail of the moral distribution
- c) are likely to be more toward the center of the moral distribution
- d) are often driven by fear of being caught and being punished

Answer: b

Title: Chapter 1 Test Bank, Question 64

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: People who have demonstrated that they are immoral and evil in their business dealings are likely to be more toward the tail of the moral distribution.

65) A mechanism that could push someone from a tail of the moral distribution toward the center could be

- a) his or her desire to commit unethical acts if he or she knows he or she won't get caught
- b) his or her fear of being caught and being punished
- c) his or her ability to be an extremely ethical and moral person, always doing the right thing no matter the personal cost
- d) All of the answer choices are correct.

Answer: b

Title: Chapter 1 Test Bank, Question 65

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: A person's fear of being caught and punished for unethical behavior may cause them to move from a tail of the moral distribution more toward the center.

66) Which of the following statements is correct regarding the two ethical challenges in business?

- a) Both types of ethical challenges are easily overcome if an individual reasons to act morally in all situations.
- b) Temptations force individuals to choose between right and wrong actions, and dilemmas require an individual to choose between two right actions or two wrong actions.
- c) Dilemmas force individuals to make a choice, and temptations require individuals to make a choice.
- d) Ethical dilemmas in business can be avoided on all occasions if the individual resolves to always put the firm's interests before his or hers.

Answer: b

Title: Chapter 1 Test Bank, Question 66

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.4 Explain the two approaches to business ethics and use the DRAFT model to understand the key differences between the two.

Section Reference: Sec 1.4 The Need for an Integrated Approach

Solution: Ethical temptations force individuals to choose, and ethical dilemmas require an individual to choose between right and wrong.

67) A good example of a mission statement is Johnson & Johnson's Credo because

- a) it holds all employees fully accountable for all decisions they make, good or bad
- b) it ensures fresh talent and innovation by keeping employee turnover high
- c) it helps to create an aspirational goal of a type of character to be obtained by the company and its employees
- d) it emphasizes profitability and the company's bottom line, which ensures the long-term solvency of the firm

Answer: c

Title: Chapter 1 Test Bank, Question 67

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Johnson & Johnson's Credo is designed to help create an aspirational goal of a type of character to be obtained by the company and its employees.

68) Celeste Mergens's successful quest to provide accessible hygiene options for girls in Kenya addresses education and gender inequality. Which of the following most accurately describes these?

- a) Education and gender equality represent intrinsic ends, as they contribute toward a good life and society.
- b) Education and gender equality represent instrumental ends, as education contributes to happiness and equality contributes to human freedom.
- c) Education and gender equality are ultimate ends because they are not influenced by other factors.
- d) Education and gender inequality were problems in Kenya that have now been solved.

Answer: b

Title: Chapter 1 Test Bank, Question 68

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Education and gender equality represent instrumental ends, as education allows people to realize their full potential for happiness and equality is an important element of human freedom. Happiness and freedom are intrinsic moral ends.

69) An employee working for a firm has a significant amount of personal debt due to a recent real estate purchase. Which of the following statements is correct regarding whether this employee could be considered under duress?

- a) The employee could be considered to be under duress, as the extra debt is likely to be very stressful and may affect decision making at work.
- b) The employee cannot be considered to be under duress, as the employee voluntarily entered into the agreement that incurred the extra debt.
- c) The employee could be considered as being under duress because the employee has an increased need for the job in order to keep the house payments current.
- d) The employee cannot be considered as being under duress as the employee is free to quit the job at any time.

Answer: b

Title: Chapter 1 Test Bank, Question 69

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Because the employee voluntarily incurred the extra debt, he or she is unlikely to be considered as being under duress.

70) The “Me Too” movement popularized by actress Ashley Judd in 2017 is synonymous with which of the following?

- a) the glass ceiling for women in the workplace
- b) people using positions of power to threaten and coerce others
- c) class action lawsuits in the automotive industry
- d) political scandals over campaign donations in Washington, D.C.

Answer: b

Title: Chapter 1 Test Bank, Question 70

Difficulty: Easy

Bloomcode: Comprehension

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: The “Me Too” movement is synonymous with people using positions of power to threaten and coerce others.

71) Which of the following was one of the founding goals of the company WeWork?

- a) to find ways to attract and raise capital in domestic and foreign markets at the cheapest possible rates
- b) to find and promote opportunities for women and minorities in the workplace
- c) to make people think about bigger problems such as hunger, poverty, and climate change
- d) to stay ahead of the market by flipping commercial real estate in foreign countries

Answer: c

Title: Chapter 1 Test Bank, Question 71

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: One of WeWork’s goals was to raise people’s awareness of global issues such as hunger, poverty, and climate change.

72) Which of the following provides the best example of an unethical action committed by Neumann while at WeWork?

- a) Neumann licensed the trademarked name “We” to the company for \$6 million.
- b) Neumann attempted to expand too quickly into foreign markets.
- c) Neumann quietly sold shares at prices that differed from what typical investors would pay.
- d) Neumann publicly stated his goal to be the world’s first trillionaire.

Answer: c

Title: Chapter 1 Test Bank, Question 72

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: One of the most unethical actions committed by Neumann was secretly selling shares worth hundreds of millions of dollars at valuations not available to others inside the company.

73) How does the case of WeWork provide a compelling reason to study business ethics?

- a) Had the owners of WeWork studied business ethics, they would have avoided all the financial mistakes that were made.
- b) Business ethics could have helped the owners avoid all ethical situations and dilemmas.
- c) Business ethics may have helped the owners avoid huge financial losses for the firm and its shareholders.
- d) Had the owners of WeWork studied business ethics, they would have avoided the catastrophic job losses that came with the destruction of value of the firm.

Answer: c

Title: Chapter 1 Test Bank, Question 73

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: An enhanced understanding of business ethics may have helped the firm and its owners to avoid the massive financial losses and ensuing devastation that occurred.

74) Which of the following correctly states the benefits of integrating ethics into business?

- a) Integrating ethics into business may help avoid creating moral harms.
- b) Integrating ethics into business may help an individual to better balance personal and professional obligations.
- c) Integrating ethics into business may help individuals practically apply ethical concepts.
- d) All of the answer choices are correct.

Answer: d

Title: Chapter 1 Test Bank, Question 74

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: All of the answer choices represent feasible ways that integrating ethics into business may be of benefit.

75) Which of the following represents part of the Johnson & Johnson Credo?

- a) We should ensure that the company does not lay off employees.
- b) We are responsible to our local community more so than the international community.
- c) We need to protect the environment and natural resources.
- d) We need to ensure we generate as high of a return as possible for our stockholders.

Answer: c

Title: Chapter 1 Test Bank, Question 75

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: One of the parts of Johnson & Johnson's Credo is their responsibility to protect the environment and natural resources.

76) Which of the following represents the reason that Celeste Mergens decided to pursue her vision?

- a) Celeste saw an opportunity to develop a market and earn extremely high profits.
- b) Celeste saw an opportunity to undercut the big firms already in this market.
- c) Celeste saw a social need and responded in an ethical manner to help meet that need.
- d) Celeste felt that she had an ethical responsibility to help and saw an opportunity to make money along the way.

Answer: c

Title: Chapter 1 Test Bank, Question 76

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Celeste Mergens saw an opportunity to develop a product that helped with a social need, and her product helped meet that need in a market that was desperate for a product of this type.

77) Which of the following represents the most likely reason that people like Harvey Weinstein are able to perpetrate their acts?

- a) Because people in lower positions are afraid of potential damage to their careers if they stand up for themselves.
- b) Because people in positions of power are above the law and face no repercussions for their actions.
- c) Because accusers often make baseless accusations in order to try to enrich themselves.
- d) Because accusers don't keep the necessary documentation and records to prevail in court.

Answer: a

Title: Chapter 1 Test Bank, Question 77

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: People in positions of power are often able to do what they do because they assume people in lower positions are afraid of potential career damage and other negative outcomes.

78) Which of the following best describes why an integrated approach to business ethics is important?

- a) Employing an integrated approach will help the firm become more profitable.
- b) Adopting an integrated approach is likely to ensure that no unethical behavior such as fraud occurs in the firm.
- c) Employing an integrated approach allows an individual to consider both the pragmatic and philosophical sides of business ethics.
- d) The integrated approach to business ethics is important because if individuals do not have frameworks or guidelines to go by, they will act unethically.

Answer: b

Title: Chapter 1 Test Bank, Question 78

Difficulty: Medium

Bloomcode: Application

Min: 2

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: An integrated approach to business ethics is important because it allows an individual to consider both the pragmatic and philosophical sides of business ethics.

Question type: Short Answer

### 79) Evaluating What's Wrong About Harassment

The charges against Harvey Weinstein and other powerful men shocked many and, as the chapter indicates, sparked the “Me Too” movement. Without ignoring your own emotional reaction to what occurred, assess what was problematic about Weinstein’s conduct from a philosophical approach to business ethics. Drawing on the DRAFT model, apply specific criteria embedded in the DRAFT model to assess these sexual harassment issues. Going further, do the actions of Weinstein and others also fail to stand up to ethical analysis under a pragmatic approach? Why or why not?

Title: Chapter 1 Test Bank, Question 79

Difficulty: Hard

Bloomcode: Evaluation

Min: 10

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Based on the philosophical approach to business ethics, it is clear that Weinstein’s actions fell short of the approach suggested by this model. For example, Weinstein did not appear to act with benevolence or concern for others; rather, he seemed more concerned with greed and power. With respect to the pragmatic approach, Weinstein’s actions still appeared to fall short. For example, the target of the pragmatic approach is compliance and avoiding harm, both of which Weinstein failed to do.

### 80) Assessing Temptation in Current Events

Figure 1.2 provides a model for assessing temptation in the workplace, noting that in quadrants I (good for business but ethically improper) and IV (bad for business but ethically correct), temptations are resolved through moral courage and require moral creativity to move the issue into quadrant II (good for business and ethically correct) or quadrant III (bad for business and ethically improper). Take a look at current events. Is there a company facing a quadrant I or IV dilemma? What is it? Why does it fall in these quadrants, and what would you propose the company do to courageously and creatively move the temptation into a quadrant II or III issue?

Title: Chapter 1 Test Bank, Question 80

Difficulty: Hard

Bloomcode: Evaluation

Min: 10

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Student answers may vary depending on the companies selected for response. To apply this to the Weinstein case as an example, his actions are clearly problematic from a moral, philosophical perspective, and certainly given the fact that his company imploded after the revelations, it was bad for

business. However, the case is harder to categorize as being problematic from a business standpoint in the short term. After all, Weinstein was enormously successful for many years, even when these actions were taking place. Noting the difference between long-term and short-term business interests may lay a foundation for later considerations in the class.

#### 81) Supporting a Return to the Credo

In the 1982 Tylenol recall, Johnson & Johnson put its famed Credo on the line and recalled all of its Extra Strength Tylenol capsules nationwide within a week of someone lacing the product with cyanide, killing several people in Chicago. Since then, the company has frequently faced ethical issues. The 1982 recall has been hailed as an exemplary business ethics action, yet thirty years later, after a number of safety and regulatory problems, the shareholders of the company filed a lawsuit (called a derivative action) against the management of the company for not adhering to the Credo. The company's reputation was further damaged after losing a case on the dangers of talcum powder and for manufacturing and selling opioids. Suppose the executives of J&J came to you to ask for advice. What would you advise the company to do to live up to its corporate Credo? Support your answer based on the chapter's explanation of pragmatic and philosophical ethics.

Title: Chapter 1 Test Bank, Question 81

Difficulty: Hard

Bloomcode: Evaluation

Min: 10

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Students may generate a variety of answers. Some of those might include reminding employees, managers, executives, and directors of the company's history, thus giving those same people the opportunity to share their stories of the implementation of the Credo (which the company did at one time at least), and to make sure that when interviewing/hiring as well as providing periodic evaluations, the target goals of the Credo are discussed. This is not an exhaustive list.

#### 82) Checking Your Ethics at the Door?

A significant difference in the DRAFT model between pragmatism and philosophy lies in what happens when one walks into work. Does one "check his or her ethics at the door" when one goes to the office, or does one continue to draw upon the moral knowledge one has in other aspects of life and bring that knowledge to bear? You may or may not have had an instance in your work life when you have been asked to check your ethics at the door, but if you have, how did doing so make you feel? Some students, for example, have worked at a checkout counter in a retail store and were instructed to try to get a customer to sign up for a credit card when checking out. Sometimes the pressure was so great to do so that one was encouraged to manipulate the customer, especially if he or she did not speak the worker's

language. Or perhaps you have played sports where a player does things (a pitcher hitting a batter with a pitch) that one would never consider doing outside the lines of the ballfield. Again, what does this do to you psychologically to undertake a role that challenges your own sense of ethics?

Title: Chapter 1 Test Bank, Question 82

Difficulty: Hard

Bloomcode: Evaluation

Min: 10

AACSB: Ethics

Learning Objective: LO 1.5 Use the tools and frameworks in this chapter to analyze actual ethical situations and issues.

Section Reference: Sec 1.5 Mini-Cases and Discussions

Solution: Student answers will vary depending on their personal and professional experience. This question serves more as a reflection and as a way to access your own experiences and relate them to the material in the class. Throughout any business ethics class, examples will abound with actions taken in business that one would not take as an individual. The material in the text specifically notes this and provides examples of it. This question is simply an opportunity for you to see how you, too, may have experienced this phenomenon.

© 2022 John Wiley & Sons, Inc. or the author, All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by law. Advice on how to obtain permission to reuse this material is available at <http://www.wiley.com/go/permissions>.