

## c2

Student: \_\_\_\_\_

1. According to the textbook, which of the following would best fit the definition of a socially responsible business?
  - A.
  - B.
  - C.
  - D.
  - E.
  
2. Which of the following terms describe any group that has an indirect or direct interest in a particular business?
  - A.
  - B.
  - C.
  - D.
  - E.
  
3. Which of the following groups could be classified as stakeholders in a computer software company?
  - A.
  - B.
  - C.
  - D.
  - E.

4. The textbook identifies several main areas of responsibility organizations have to the various groups who have an interest in its activities. Which of the following is NOT one of those areas of responsibility?
- A.
  - B.
  - C.
  - D.
  - E.
5. Mary is a manager of a small Vancouver based manufacturing company. She manages a business that respects the rights and interests of her workers by being fair and impartial in her decision making process. Which of the following terms best describes Mary's approach to management?
- A.
  - B.
  - C.
  - D.
  - E.
6. Which of the following statements about an organization's social responsibilities is true?
- A.
  - B.
  - C.
  - D.
  - E.
7. Which of the following statements about an organization's social responsibilities is true?
- A.
  - B.
  - C.
  - D.
  - E.

8. Many people believe that businesses should go beyond the social responsibilities mandated by economics, law, or ethics. A Toronto based Credit Union decides to donate 10% of its pre-tax earnings to a local not-for-profit organization that restores inner city parks. Which of the following terms embodies the Credit Union's social responsibility commitment?
- A.
  - B.
  - C.
  - D.
  - E.
9. Which of the following would be classified as the highest criterion of social responsibility?
- A.
  - B.
  - C.
  - D.
  - E.
10. You have been asked by your management team to put together a list of activities an organization could undertake to demonstrate its commitment to social responsibility. Which of the following choice(s) would be appropriate to include in your list?
- A.
  - B.
  - C.
  - D.
  - E.
11. Which of the following actions can a corporation do to demonstrate social responsibility?
- A.
  - B.
  - C.
  - D.
  - E.

12. Two major influences on the ethical behaviour of sales personnel are:
- A.
  - B.
  - C.
  - D.
  - E.
13. Dennis works as a sales representative for a tractor manufacture. The particular line of tractors he sells is of high quality; however, it has an expensive service schedule that increases operating costs. Dennis's employer insists that all sales include a signed agreement from the customer acknowledging that the sales person has provided this information to the customer. Dennis follows this sales process only because if he does not, he will be fired. Which of the following moral development levels best describes Dennis?
- A.
  - B.
  - C.
  - D.
  - E.
14. Alison considers herself a responsible person. She upholds moral and legal laws and conforms to the expectations of others. Alison is functioning at what level of moral development?
- A.
  - B.
  - C.
  - D.
  - E.

15. "I don't care what the boss said. It's wrong and I'm not going to do it. If I get fired, then that's just the way it will have to be." The salesperson who just made this statement to a co-worker is apparently working at what level of moral development?
- A.
  - B.
  - C.
  - D.
  - E.
16. Most salespeople operate at what level of moral development?
- A.
  - B.
  - C.
  - D.
  - E.
17. Which of the following statements/questions best captures the "spirit" of the "Golden rule"?
- A.
  - B.
  - C.
  - D.
  - E.
18. Amanda, who majored in English education, has just been hired for a sales position with a large consumer products company that expects its salespeople to exhibit ethical behaviour. Amanda has asked you what ethical behaviour is. Which of the following would you include in your answer to Amanda?
- A.
  - B.
  - C.
  - D.
  - E.

19. Which of the following statements about ethical dilemmas is true?
- A.
  - B.
  - C.
  - D.
  - E.
20. According to the text, which of the following is NOT an example of ethical considerations faced by a sales manager?
- A.
  - B.
  - C.
  - D.
  - E.
21. Brett is a commission salesperson whose territory for the last three years has been the entire province of Alberta. Through hard work he has greatly increased his company's business in the province. Now her manager has decided to split the state into two territories. Brett can expect:
- A.
  - B.
  - C.
  - D.
  - E.
22. John worked his assigned territory building up an impressive portfolio of wholesale customers. Last year, his company decided to restructure and changed assigned sales territories. In this process, some of John's accounts were reclassified as "house accounts." Which of the following statements best describes the term "house account"?
- A.
  - B.
  - C.
  - D.
  - E.

23. Which of the following is NOT identified in the textbook as an example of an organization practicing corporate social responsibility?
- A.
  - B.
  - C.
  - D.
  - E.
24. The text identifies several benefits associated with organizations that undertake a proactive approach towards creating an employment environment that is discrimination free. Which of the following are benefits employers may receive if a discrimination free environment is supported by senior management?
- A.
  - B.
  - C.
  - D.
  - E.
25. Which of the following would be an example of a salesperson who is moonlighting unethically?
- A.
  - B.
  - C.
  - D.
  - E.
26. Kiely Hall is a salesperson who is enrolled in a night MBA program. From time to time, he takes off most of the day before his night class meets in order to prepare assignments that are due that evening without receiving permission from his employer. Which of the following terms best describes Kiely's actions?
- A.
  - B.
  - C.
  - D.
  - E.

27. Which of the following statements about bribery is true?
- A.
  - B.
  - C.
  - D.
  - E.
28. According to the textbook, which of the following internal policies are likely to reduce the level of judgment needed to operate within acceptable gift receiving framework on the part of buyers?
- A.
  - B.
  - C.
  - D.
  - E.
29. Which of the following statements, if false and made by a salesperson to an individual who bought the product(s) being sold, would be most likely to have legal consequences?
- A.
  - B.
  - C.
  - D.
  - E.
30. Which of the following statements about misrepresentation is true?
- A.
  - B.
  - C.
  - D.
  - E.



31. Which of the following product claims is an example of a statement that if made by a salesperson would have legally actionable consequences if the statement were incorrect.
- A.
  - B.
  - C.
  - D.
  - E.
32. Monroe is a little worried about all the talk he's heard recently about lawsuits due to misrepresentation and breach of warranty. To help him "stay legal," you advise him to:
- A.
  - B.
  - C.
  - D.
  - E.
33. Price discrimination is covered by the Competition Act and exists when certain conditions can be proven. Which of the following would not be one such condition?
- A.
  - B.
  - C.
  - D.
  - E.
34. A salesperson makes the following statement to a plant nursery retailer, "I'll sell you Southview Sphagnum peat moss only if you'll sell Greenway grass seeds, too." Under the Competition Act, this statements describes which of the following terms?
- A.
  - B.
  - C.
  - D.
  - E.

35. Manufacture XYZ requires that its wholesalers and retailers buy merchandise only from it. These types of agreements may be deemed illegal under the Competition Act under a specific circumstance. Which of the following terms best describes the aforementioned agreement between XYZ and its wholesalers?
- A.
  - B.
  - C.
  - D.
  - E.
36. "I'll tell you what," said Brodie Wilson. "I'll buy all my paper supplies from your company if you'll make sure your people buy all their cleaning supplies from my firm." Which term best describes what Wilson is proposing?
- A.
  - B.
  - C.
  - D.
  - E.
37. Peter Lau sells roof replacements via door-to-door sales calls. His average roof replacing services cost \$10,000.00. He just sold Mary, a homeowner, a full replacement package for which she provided a 20% down payment. Under legislature available across Provinces in Canada, Mary has ten days to cancel the contract without any negative consequences. What term describes this ten day period?
- A.
  - B.
  - C.
  - D.
  - E.

38. Which of the following statements apply in British Columbia if you undertake to sell goods and services door-to-door?
- A.
  - B.
  - C.
  - D.
  - E.
39. Which of the following statements about the international side of ethics is true?
- A.
  - B.
  - C.
  - D.
  - E.
40. Which of the following have been identified in the text as factors that influence business ethics?
- A.
  - B.
  - C.
  - D.
  - E.
41. To foster a climate that encourages ethical behaviour by the sales force, management should do which of the following?
- A.
  - B.
  - C.
  - D.
  - E.

42. Which of the following best captures the notion of developing a formal statement of a company's values concerning ethics and social issues?
- A.
  - B.
  - C.
  - D.
  - E.
43. You work for an organization that decides to undertake a change in their approach to business ethics. As you carefully reflect on variables that shape ethical business behaviour, which of the following would NOT warrant much attention from you?
- A.
  - B.
  - C.
  - D.
  - E.
44. Which of the following best describes the role of an ethical ombudsman at a Canadian Organization?
- A.
  - B.
  - C.
  - D.
  - E.
45. Joey observed one of the other salespeople at her firm giving a client expensive Vancouver Canucks hockey tickets. She is sure the tickets were intended as a bribe for a large order the customer was about to place with the company. If Joey reports this activity to her supervisor, what specific role would Joey be displaying?
- A.
  - B.
  - C.
  - D.
  - E.

46. According to the text, what is the single most important factor in improving the climate for ethical behaviour in a sales force?
- A.
  - B.
  - C.
  - D.
  - E.
47. Which of the following would be considered unethical behaviour by a salesperson.
- A.
  - B.
  - C.
  - D.
  - E.
48. Alex has been tasked to provide his company with possible outcomes that management may apply to sales personnel that have been found to use unethical business practices. Which of the following are NOT effective approaches which will serve to decrease unethical behaviour by sales personnel?
- A.
  - B.
  - C.
  - D.
  - E.
49. Lucas sells athletic clothing for a major clothing manufacturer. His buddy owns a local retail store so Lucas agrees to give him a further 10% discount so that he can compete better in his city. Which of the following terms best describes Lucas' action?
- A.
  - B.
  - C.
  - D.
  - E.

50. Hoda, a sales manager for a large machinery fabricator, has found over the last few years that her sales staff has been engaging in an increasing number of shady sales practices that are inconsistent with her way of thinking and the company's overall mission statement. Which of the following actions are likely to lead to improved ethical behaviour on the part of her sales force?
- A.
  - B.
  - C.
  - D.
  - E.
51. Many sales practices in Canada are legally governed by which of the following bodies?
- A.
  - B.
  - C.
  - D.
  - E.
52. An organization's four main types of responsibilities relating to its stakeholders include all of the following except?
- A.
  - B.
  - C.
  - D.
  - E.
53. Which of the following demonstrates social responsibility?
- A.
  - B.
  - C.
  - D.
  - E.

54. Which of the following is normally associated with organizations that take a socially responsible approach to business?
- A.
  - B.
  - C.
  - D.
  - E.
55. Canada's human rights legislation prohibits denial of employment for a broad range of variables. Which of the following variables are impacted by discrimination legislation?
- A.
  - B.
  - C.
  - D.
  - E.
56. Parmir was determined to win the annual summer sales contest in his company. The sales representative with the top sales volume during the month of July would win a trip to Hawaii. Parmir had several thousand dollars in orders from June that he had not processed yet so, he decided to delay their processing until July. Which unethical practice is Parmir engaged in?
- A.
  - B.
  - C.
  - D.
  - E.
57. The notion of corporate social responsibility is easy to understand.
- True False
58. Stakeholder is a term used to describe groups inside the organization who have a stake in its performance, while stockholder is a term used to describe groups outside the firm who have an interest in its performance.
- True False

59. Businesses wanting to generate profits and the notion of serving society are not mutually exclusive.
- True False
60. According to the text, over the next ten years, rising global unemployment will cause society to reduce its expectations for corporations to act with social responsibility.
- True False
61. The textbook explicitly suggest organizations should wait for issues to surface from a social responsibility perspective before acting.
- True False
62. Social responsibility is defined by the text as principles of right or good conduct, or a body of such principles.
- True False
63. Legal and ethical issues are synonymous.
- True False
64. Simply put, ethical behaviour refers to treating others fairly.
- True False
65. Company ABC ltd has an outstanding loan with a large Canadian Bank. Based on this scenario, the Canadian Bank is one of ABC's stakeholders.
- True False
66. If management decides to increase the number of territories in a province, there is a possibility the earnings of the salespeople working there will decrease.
- True False



67. Candace is a commission salesperson for a college textbook publisher. Her territory is Nova Scotia. Management at Candace's firm has decided to increase the number of territories in the province. Candace should be excited about the opportunity this presents for her to earn more money.
- True False
68. A sales person at the conventional moral development level will often ask himself/herself the following question: "What am I legally required to do?"
- True False
69. If a salesperson has a drug or alcohol problem that is bad enough to require professional help, the appropriate action of the sales manager is to remove the individual from his or her territory.
- True False
70. Although discrimination on the basis of a person's sex is illegal, there are no laws against sexual harassment.
- True False
71. Canada's human rights legislation prohibits the denial of employment on the basis of marital status.
- True False
72. Employees will on occasion misuse company assets. The best strategy to deal with this issue is to apply strong punitive consequences after the misuse happens.
- True False
73. In order to motivate a buyer John, a sales representative, knowingly embellished the actual performance of his product. Because of the notion of "buyer be aware," the buyer has no legal recourse when the product fails to meet John's embellished statements.
- True False

74. It is easy to distinguish between a gift and a bribe.
- True False
75. A salesperson who exaggerates about product capabilities may be guilty of misrepresentation.
- True False
76. The majority of transactions in which a Canadian sales representative participates fall within the scope of the Sale of Goods Act.
- True False
77. Peter writes a weekly newsletter profiling Canadians in industry. Last week, Peter wrote a column in which he claimed Mary Jones lied on her employment application. At a later date, it was determined that the information Mary provided in her application was factual. Peter has committed an act of slander; hence, may be exposed to legal action by Mary.
- True False
78. Hamilton Plastics Company requires anyone who wants to use its product to purchase only from it. This contractual arrangement is called an exclusive dealership and if it lessens competition it is illegal under the Competition Act.
- True False
79. Code of Conduct documents are almost always written by individuals holding the position of ethical ombudsman
- True False
80. Operating an ethical organization requires simply that organizations provide employees with the required training on the broad topics associated with ethical business practices.
- True False

81. Define social responsibility and how social responsibility may in fact be a factor that enhances corporate performance. Provide an example.
82. List and discuss major influences on the ethical behaviour of sales personnel and how the level of moral development of employees potentially shapes their behaviour to specific ethical situations.
83. At what level of moral development do most people operate? What potential variables shape an individual's moral development?

84. What complaint could be lodged against a salesperson who claimed that if you bought the mattress she was selling, you would never have any more backaches? As the manager of that mattress company, what would you do to decrease the likelihood of a similar complaint happening in the future?
85. What are the two types of codes of ethics?
86. What is the single most important factor in improving the climate for ethical behaviour in a sales force? Why?

## c2 Key

1. According to the textbook, which of the following would best fit the definition of a socially responsible business?

**A.**  
B.  
C.  
D.  
E.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #1*

*Learning Objective: 02-02 Describe managements social responsibilities.*

2. Which of the following terms describe any group that has an indirect or direct interest in a particular business?

A.  
**B.**  
C.  
D.  
E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #2*

*Learning Objective: 02-02 Describe managements social responsibilities.*

3. Which of the following groups could be classified as stakeholders in a computer software company?

A.  
B.  
C.  
D.  
**E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #3*

*Learning Objective: 02-02 Describe managements social responsibilities.*

4. The textbook identifies several main areas of responsibility organizations have to the various groups who have an interest in its activities. Which of the following is NOT one of those areas of responsibility?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #4*

*Learning Objective: 02-02 Describe managements social responsibilities.*

5. Mary is a manager of a small Vancouver based manufacturing company. She manages a business that respects the rights and interests of her workers by being fair and impartial in her decision making process. Which of the following terms best describes Mary's approach to management?

- A.
- B.**
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #5*

*Learning Objective: 02-02 Describe managements social responsibilities.*

6. Which of the following statements about an organization's social responsibilities is true?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #6*

*Learning Objective: 02-02 Describe managements social responsibilities.*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

7. Which of the following statements about an organization's social responsibilities is true?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #7*

*Learning Objective: 02-02 Describe managements social responsibilities.*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

8. Many people believe that businesses should go beyond the social responsibilities mandated by economics, law, or ethics. A Toronto based Credit Union decides to donate 10% of its pre-tax earnings to a local not-for-profit organization that restores inner city parks. Which of the following terms embodies the Credit Union's social responsibility commitment?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #8*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

9. Which of the following would be classified as the highest criterion of social responsibility?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #9*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

10. You have been asked by your management team to put together a list of activities an organization could undertake to demonstrate its commitment to social responsibility. Which of the following choice(s) would be appropriate to include in your list?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #10*

*Learning Objective: 02-02 Describe managements social responsibilities.*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

11. Which of the following actions can a corporation do to demonstrate social responsibility?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #11*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

12. Two major influences on the ethical behaviour of sales personnel are:

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #12*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*



13. Dennis works as a sales representative for a tractor manufacture. The particular line of tractors he sells is of high quality; however, it has an expensive service schedule that increases operating costs. Dennis's employer insists that all sales include a signed agreement from the customer acknowledging that the sales person has provided this information to the customer. Dennis follows this sales process only because if he does not, he will be fired. Which of the following moral development levels best describes Dennis?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #13*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

14. Alison considers herself a responsible person. She upholds moral and legal laws and conforms to the expectations of others. Alison is functioning at what level of moral development?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #14*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

15. "I don't care what the boss said. It's wrong and I'm not going to do it. If I get fired, then that's just the way it will have to be." The salesperson who just made this statement to a co-worker is apparently working at what level of moral development?

- A.
- B.**
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

16.

Most salespeople operate at what level of moral development?

- A.
- B.
- C.**
- D.
- E.

Accessibility: Keyboard Navigation

Difficulty: Easy

Futrell - Chapter 02 #16

Learning Objective: 02-04 Explain what influences ethical behaviour.

17.

Which of the following statements/questions best captures the "spirit" of the "Golden rule"?

- A.
- B.
- C.**
- D.
- E.

Accessibility: Keyboard Navigation

Difficulty: Hard

Futrell - Chapter 02 #17

Learning Objective: 02-04 Explain what influences ethical behaviour.

18.

Amanda, who majored in English education, has just been hired for a sales position with a large consumer products company that expects its salespeople to exhibit ethical behaviour. Amanda has asked you what ethical behaviour is. Which of the following would you include in your answer to Amanda?

- A.
- B.
- C.
- D.
- E.**

Accessibility: Keyboard Navigation

Difficulty: Easy

Futrell - Chapter 02 #18

Learning Objective: 02-04 Explain what influences ethical behaviour.

19. Which of the following statements about ethical dilemmas is true?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #19*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

20. According to the text, which of the following is NOT an example of ethical considerations faced by a sales manager?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #20*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

21. Brett is a commission salesperson whose territory for the last three years has been the entire province of Alberta. Through hard work he has greatly increased his company's business in the province. Now her manager has decided to split the state into two territories. Brett can expect:

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #21*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

22. John worked his assigned territory building up an impressive portfolio of wholesale customers. Last year, his company decided to restructure and changed assigned sales territories. In this process, some of John's accounts were reclassified as "house accounts." Which of the following statements best describes the term "house account"?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #22*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

23. Which of the following is NOT identified in the textbook as an example of an organization practicing corporate social responsibility?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #23*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

24. The text identifies several benefits associated with organizations that undertake a proactive approach towards creating an employment environment that is discrimination free. Which of the following are benefits employers may receive if a discrimination free environment is supported by senior management?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #24*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

25. Which of the following would be an example of a salesperson who is moonlighting unethically?

- A.
- B.**
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Easy*

*Futrell - Chapter 02 #25*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

26. Kiely Hall is a salesperson who is enrolled in a night MBA program. From time to time, he takes off most of the day before his night class meets in order to prepare assignments that are due that evening without receiving permission from his employer. Which of the following terms best describes Kiely's actions?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Medium*

*Futrell - Chapter 02 #26*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

27. Which of the following statements about bribery is true?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Hard*

*Futrell - Chapter 02 #27*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

28. According to the textbook, which of the following internal policies are likely to reduce the level of judgment needed to operate within acceptable gift receiving framework on the part of buyers?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Hard*

*Futrell - Chapter 02 #28*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

29. Which of the following statements, if false and made by a salesperson to an individual who bought the product(s) being sold, would be most likely to have legal consequences?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Medium*

*Futrell - Chapter 02 #29*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

30. Which of the following statements about misrepresentation is true?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation  
Difficulty: Hard*

*Futrell - Chapter 02 #30*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

31. Which of the following product claims is an example of a statement that if made by a salesperson would have legally actionable consequences if the statement were incorrect.

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #31*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

32. Monroe is a little worried about all the talk he's heard recently about lawsuits due to misrepresentation and breach of warranty. To help him "stay legal," you advise him to:

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #32*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

33. Price discrimination is covered by the Competition Act and exists when certain conditions can be proven. Which of the following would not be one such condition?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #33*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

34. A salesperson makes the following statement to a plant nursery retailer, "I'll sell you Southview Sphagnum peat moss only if you'll sell Greenway grass seeds, too." Under the Competition Act, this statements describes which of the following terms?

- A.
- B.**
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #34*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

35. Manufacture XYZ requires that its wholesalers and retailers buy merchandise only from it. These types of agreements may be deemed illegal under the Competition Act under a specific circumstance. Which of the following terms best describes the aforementioned agreement between XYZ and its wholesalers?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #35*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

36. "I'll tell you what," said Brodie Wilson. "I'll buy all my paper supplies from your company if you'll make sure your people buy all their cleaning supplies from my firm." Which term best describes what Wilson is proposing?

- A.
- B.**
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #36*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*



37. Peter Lau sells roof replacements via door-to-door sales calls. His average roof replacing services cost \$10,000.00. He just sold Mary, a homeowner, a full replacement package for which she provided a 20% down payment. Under legislature available across Provinces in Canada, Mary has ten days to cancel the contract without any negative consequences. What term describes this ten day period?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*  
*Difficulty: Hard*  
*Futrell - Chapter 02 #37*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

38. Which of the following statements apply in British Columbia if you undertake to sell goods and services door-to-door?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*  
*Difficulty: Medium*  
*Futrell - Chapter 02 #38*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

39. Which of the following statements about the international side of ethics is true?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*  
*Difficulty: Hard*  
*Futrell - Chapter 02 #39*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

40. Which of the following have been identified in the text as factors that influence business ethics?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #40*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

41. To foster a climate that encourages ethical behaviour by the sales force, management should do which of the following?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #41*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

42. Which of the following best captures the notion of developing a formal statement of a company's values concerning ethics and social issues?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #42*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

43. You work for an organization that decides to undertake a change in their approach to business ethics. As you carefully reflect on variables that shape ethical business behaviour, which of the following would NOT warrant much attention from you?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #43*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

44. Which of the following best describes the role of an ethical ombudsman at a Canadian Organization?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #44*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

45. Joey observed one of the other salespeople at her firm giving a client expensive Vancouver Canucks hockey tickets. She is sure the tickets were intended as a bribe for a large order the customer was about to place with the company. If Joey reports this activity to her supervisor, what specific role would Joey be displaying?

- A.
- B.
- C.**
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #45*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

46. According to the text, what is the single most important factor in improving the climate for ethical behaviour in a sales force?

- A.
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Medium*

*Futrell - Chapter 02 #46*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

47. Which of the following would be considered unethical behaviour by a salesperson.

- A.
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Easy*

*Futrell - Chapter 02 #47*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

48. Alex has been tasked to provide his company with possible outcomes that management may apply to sales personnel that have been found to use unethical business practices. Which of the following are NOT effective approaches which will serve to decrease unethical behaviour by sales personnel?

- A.
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Hard*

*Futrell - Chapter 02 #48*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

49. Lucas sells athletic clothing for a major clothing manufacturer. His buddy owns a local retail store so Lucas agrees to give him a further 10% discount so that he can compete better in his city. Which of the following terms best describes Lucas' action?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #49*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

50. Hoda, a sales manager for a large machinery fabricator, has found over the last few years that her sales staff has been engaging in an increasing number of shady sales practices that are inconsistent with her way of thinking and the company's overall mission statement. Which of the following actions are likely to lead to improved ethical behaviour on the part of her sales force?

- A.
- B.**
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #50*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

51. Many sales practices in Canada are legally governed by which of the following bodies?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #51*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

52. An organization's four main types of responsibilities relating to its stakeholders include all of the following except?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation  
Difficulty: Medium*

*Futrell - Chapter 02 #52*

*Learning Objective: 02-02 Describe managements social responsibilities.*

53. Which of the following demonstrates social responsibility?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Medium*

*Futrell - Chapter 02 #53*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

54. Which of the following is normally associated with organizations that take a socially responsible approach to business?

- A.
- B.
- C.
- D.**
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Hard*

*Futrell - Chapter 02 #54*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

55. Canada's human rights legislation prohibits denial of employment for a broad range of variables. Which of the following variables are impacted by discrimination legislation?

- A.
- B.
- C.
- D.
- E.**

*Accessibility: Keyboard Navigation  
Difficulty: Easy*

*Futrell - Chapter 02 #55*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

56. Parmir was determined to win the annual summer sales contest in his company. The sales representative with the top sales volume during the month of July would win a trip to Hawaii. Parmir had several thousand dollars in orders from June that he had not processed yet so, he decided to delay their processing until July. Which unethical practice is Parmir engaged in?

- A.**
- B.
- C.
- D.
- E.

*Accessibility: Keyboard Navigation  
Difficulty: Medium*

*Futrell - Chapter 02 #56*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

57. The notion of corporate social responsibility is easy to understand.

**FALSE**

*Accessibility: Keyboard Navigation  
Difficulty: Easy*

*Futrell - Chapter 02 #57*

*Learning Objective: 02-02 Describe managements social responsibilities.*

58. Stakeholder is a term used to describe groups inside the organization who have a stake in its performance, while stockholder is a term used to describe groups outside the firm who have an interest in its performance.

**FALSE**

*Accessibility: Keyboard Navigation*

59. Businesses wanting to generate profits and the notion of serving society are not mutually exclusive.

**TRUE**

Accessibility: Keyboard Navigation

Difficulty: Hard

Futrell - Chapter 02 #59

Learning Objective: 02-02 Describe managements social responsibilities.

60. According to the text, over the next ten years, rising global unemployment will cause society to reduce its expectations for corporations to act with social responsibility.

**FALSE**

Accessibility: Keyboard Navigation

Difficulty: Medium

Futrell - Chapter 02 #60

Learning Objective: 02-02 Describe managements social responsibilities.

61. The textbook explicitly suggest organizations should wait for issues to surface from a social responsibility perspective before acting.

**FALSE**

Accessibility: Keyboard Navigation

Difficulty: Easy

Futrell - Chapter 02 #61

Learning Objective: 02-03 Explain how to demonstrate social responsibility.

62. Social responsibility is defined by the text as principles of right or good conduct, or a body of such principles.

**FALSE**

Accessibility: Keyboard Navigation

Difficulty: Easy

Futrell - Chapter 02 #62

Learning Objective: 02-02 Describe managements social responsibilities.

63. Legal and ethical issues are synonymous.

**FALSE**

Accessibility: Keyboard Navigation

Difficulty: Medium

Futrell - Chapter 02 #63

Learning Objective: 02-02 Describe managements social responsibilities.



64. Simply put, ethical behaviour refers to treating others fairly.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #64*

*Learning Objective: 02-02 Describe managements social responsibilities.*

65. Company ABC ltd has an outstanding loan with a large Canadian Bank. Based on this scenario, the Canadian Bank is one of ABC's stakeholders.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #65*

*Learning Objective: 02-02 Describe managements social responsibilities.*

66. If management decides to increase the number of territories in a province, there is a possibility the earnings of the salespeople working there will decrease.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #66*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

67. Candace is a commission salesperson for a college textbook publisher. Her territory is Nova Scotia. Management at Candace's firm has decided to increase the number of territories in the province. Candace should be excited about the opportunity this presents for her to earn more money.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #67*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

68. A sales person at the conventional moral development level will often ask himself/herself the following question: "What am I legally required to do?"

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #68*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

69. If a salesperson has a drug or alcohol problem that is bad enough to require professional help, the appropriate action of the sales manager is to remove the individual from his or her territory.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #69*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

70. Although discrimination on the basis of a person's sex is illegal, there are no laws against sexual harassment.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #70*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

71. Canada's human rights legislation prohibits the denial of employment on the basis of marital status.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #71*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

72. Employees will on occasion misuse company assets. The best strategy to deal with this issue is to apply strong punitive consequences after the misuse happens.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #72*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

73. In order to motivate a buyer John, a sales representative, knowingly embellished the actual performance of his product. Because of the notion of "buyer be aware," the buyer has no legal recourse when the product fails to meet John's embellished statements.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #73*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

74. It is easy to distinguish between a gift and a bribe.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #74*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

75. A salesperson who exaggerates about product capabilities may be guilty of misrepresentation.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #75*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

76. The majority of transactions in which a Canadian sales representative participates fall within the scope of the Sale of Goods Act.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #76*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

77. Peter writes a weekly newsletter profiling Canadians in industry. Last week, Peter wrote a column in which he claimed Mary Jones lied on her employment application. At a later date, it was determined that the information Mary provided in her application was factual. Peter has committed an act of slander; hence, may be exposed to legal action by Mary.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #77*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

78. Hamilton Plastics Company requires anyone who wants to use its product to purchase only from it. This contractual arrangement is called an exclusive dealership and if it lessens competition it is illegal under the Competition Act.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #78*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

79. Code of Conduct documents are almost always written by individuals holding the position of ethical ombudsman

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #79*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

80. Operating an ethical organization requires simply that organizations provide employees with the required training on the broad topics associated with ethical business practices.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #80*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

81. Define social responsibility and how social responsibility may in fact be a factor that enhances corporate performance. Provide an example.

Social responsibility is management's obligation to make choices and take actions that contribute to the welfare and interests of society as well as to those of the organization. Students should link social responsibility, stakeholders' interest, and profits. Example; by meeting expectations of customers with safe and reliable products, organizations gain product/service ambassadors who in turn refer other customers to an organization driving revenues and profits. Ideally, students in a class would come up with one example associated with each stakeholder group

*Difficulty: Medium*

*Futrell - Chapter 02 #81*

*Learning Objective: 02-02 Describe managements social responsibilities.*

82. List and discuss major influences on the ethical behaviour of sales personnel and how the level of moral development of employees potentially shapes their behaviour to specific ethical situations.

Employees and the organization itself - this could include a broad discussion on the culture/climate within the organization. Then, students should identify the three levels of moral development and how those levels to a certain degree shapes the behaviour of employees.

*Difficulty: Medium*

*Futrell - Chapter 02 #82*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

83. At what level of moral development do most people operate? What potential variables shape an individual's moral development?

The conventional level. Family, experiences, religion etc.

*Difficulty: Easy*

*Futrell - Chapter 02 #83*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

84. What complaint could be lodged against a salesperson who claimed that if you bought the mattress she was selling, you would never have any more backaches? As the manager of that mattress company, what would you do to decrease the likelihood of a similar complaint happening in the future?

Misrepresentation. Issue of control systems, management follow up, looking at sales people that consistently are number one (are they making claims that misrepresent the product?). Etc.

*Difficulty: Hard*

*Futrell - Chapter 02 #84*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.  
Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

85. What are the two types of codes of ethics?

Principle-based statements and policy-based statements

*Difficulty: Easy  
Futrell - Chapter 02 #85*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

86. What is the single most important factor in improving the climate for ethical behaviour in a sales force? Why?

The action taken by top level managers. They serve as role models - do they "walk the talk"?

*Difficulty: Medium  
Futrell - Chapter 02 #86*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

## c2 Summary