

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

A shift has occurred in what society believes business responsibilities should be; today there is a greater emphasis on the bottom line than ever before.

true

false

Responses to social and environmental issues will determine which corporations are able to survive in today's competitive environment.

true

false

Integrity refers to the appropriateness of a corporation's behaviour, not to its adherence to moral principles.

true

false

Ethics apply to business in the same manner as they apply to religion.

true

false

A responsible corporation is a business undertaking that responds to social, ethical, and environmental responsibilities in addition to its economic obligations.

true

false

Most people agree there is a universal way to approach ethics and as such, there is widespread agreement as to the appropriate behaviour by business in society.

true

false

An economic system defines the political party most active in any country.

true

false

The responsible enterprise system acknowledges that business has a responsibility beyond profit maximization for shareholders.

true

false

Adam Smith argued for a system of capitalism that would see an enhanced role for government.

true

false

The non-profit sector is alternately known as the third sector or the plural sector.

true

false

The economic system in Canada is a *laissez-faire* system.

true

false

There are very few legal requirements for an individual establishing or operating a business in Canada.

true

false

A partnership may involve two or more than two individuals sharing the ownership of a business.

true

false

The concession doctrine implies that incorporation is a right, not a privilege for businesses.

true

false

The "freedom of association" doctrine implies that incorporation should occur without government intervention.

true

false

Legislative safeguards are imposed upon incorporation processes to create and preserve an atmosphere of public confidence, as well as to create protections for investors and creditors.

true

false

A social licence guarantees the absence of government regulation in an open market.

true

false

Canadians' overall attitude towards business has been basically positive over the last ten years.

true

false

Self-interest by firms is an issue that the Canadian public consistently identifies as a negative attribute of the business enterprise system.

true

false

Self-interest acts as a motivator in the business enterprise system and provides the drive for profit that encourages individuals to get things done.

true

false

A system based on a capitalistic market virtually guarantees an equitable distribution of income.

true

false

Social media describes the various forms of interaction or communication enabled by technology-based tools, most of which are Internet based.

true

false

The concept of a “social licence”—which is based on ethics, values, expectations, and self-regulation—is considered preferable to social or governmental control, which is based on regulation, legislation, litigation, and compliance.

true

false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

Government and business work collaboratively with multiple stakeholders to use resources to meet the needs of the members of a society. This arrangement is called the ____ of a nation.

economic system

free enterprise

responsible enterprise

laissez-faire ideology

political manifesto

The discussion of the business enterprise system in the Business and Society class today was stimulating. Jasmine argued that the Canadian government should apply a ____ model whereby economic decision making is left to those individuals or enterprises who own the means of production.

capitalism

free enterprise

laissez-faire capitalism

responsible enterprise

stakeholder

Price fixing and supplier discrimination sometimes signal:

responsible corporations

monopolistic behaviour

laissez-faire governance

stakeholder capitalism

free enterprise

The discussion of the business enterprise system in the Business and Society class today became interesting when Roberto took the position that the Canadian government should apply a ____ model whereby economic decision making is left to those individuals or enterprises who own the means of production and the government has only the most minimal, strictly limited role.

capitalism

free enterprise

laissez-faire capitalism

responsible enterprise

stakeholder capitalism

Raminder is starting a business to sell handmade greeting cards online. She is forming a(n) ____ in that she is planning to assume all the risks and accept all the rewards of business ownership.

partnership

proprietorship

going concern

incorporated business

virtual model

Julio and Julie are planning to start a business providing holistic, herbal products to consumers. This is an exciting business opportunity which has considerable growth potential. Concerned, however, about assuming a personal level of responsibility for the financial outcome of the enterprise, they decide to structure the business through:

proprietorship

partnership

corporation

incorporation

limited liability

By incorporating his business, Gordon has taken on partners who will provide financial backing. However, there are governmental requirements that shape the process. This contrasts with the ____ doctrine that allowed state control over the granting of incorporation.

freedom of association

going concern

concession

voluntary

legal

The modern corporation is described by:

the concession doctrine

the freedom of association doctrine

the rule of proprietorship

the profit maximization doctrine

the freedom of referral doctrine

Lucinda is a shareholder in ABC Enterprises Ltd., but doesn't even know it! For years, she believed that her pension was just sitting in a bank vault somewhere waiting for her to retire. Lucia is a(n) ____ of ABC Enterprises Ltd.

direct owner

indirect owner

silent shareholder

preferred shareholder

privileged shareholder

Frankie is a shareholder in VNO Corporation and regularly attends annual shareholder meetings voting on policies that he feels are particularly relevant to the firm's social responsibilities. Frankie is:

a direct owner

an indirect owner

member of the board of directors

manager

active stakeholder

Karandeep's responsibility is to manage the daily operation of NYZ Inc., including the management of over 30 full-time employees. This organization manufactures ceramic products for distribution in various retail outlets. Karandeep is a(n) ____ of NYZ Inc.

direct owner

indirect owner

member of the board of directors

manager

philanthropist

Which of the following is an advantage of co-operatives?

No legal or tax separation between business and owner

Cannot be passed from one individual to another

Minimal financial paperwork

Can raise capital from external parties

All members have the power to vote

Which of the following is an advantage of a sole proprietorship?

No legal or tax separation between business and owner

Cannot be passed from one individual to another

Minimal financial paperwork

Can raise capital from external parties

All members have the power to vote

Which of the following companies, with a charter granted in 1617, was one of the first corporations formed by a concession granted by the sovereign?

Flair Airlines

Swoosh

Eatons

Hudson's Bay Company

Air Canada

The geopolitical environment, resource allocation, and the government are ____ factors of analysis that influence attitudes toward Canadian business.

Macro-level

Micro-level

Meso-level

Minor-level

Major-level

Specific dynamics within organizations, communities, and special interest groups comprise ____ factors of analysis that influence attitudes toward Canadian business.

Macro-level

Micro-level

Meso-level

Minor-level

Major-level

Artificial Intelligence (AI) and robotics are generally considered to influence attitudes toward Canadian businesses on which level?

Macro level

Micro level

Meso level

Minor level

Major level

Which of the following is an example of a macro-level factor of analysis that influences attitudes toward Canadian business?

Business wrongdoing

Decentralized decision making

Media coverage

Business negotiations

Technology shifts

LK Corporation has recently downsized its operations. The trend towards healthy eating has led to fewer purchases of lollipops and suckers, the principal product of the firm. Knowing that Halloween is approaching and that sales will improve, the company has told the media that the workers will be rehired as soon as sales improve. In planning to rehire the laid off workers, LK Corporation is attributing the layoffs to the:

principle of self-interest

efficient allocation of resources

decentralized decision making

business cycle

sustainability dilemma

Which of the following is an example of a micro-level factor of analysis that influences attitudes toward Canadian business?

Business wrongdoing

Decentralized decision making

Media coverage

Business negotiations

Technology shifts

Social media has enabled society to hold business:

more accountable

less accountable

to a lower ethical standard

responsible to stakeholders for profits

responsible to the government for sustainability initiatives

The holiday season is approaching and Kasia's mom is delighted with the range of offerings on the shelves of the toy store. It seems like every single toy manufacturer had a different strategy for the season. This range of offerings is the result of:

self-interest

allocation of resources

decentralized decision making

business cycle

innovation

When purchasing a new vehicle, Robert asked the dealer: "So when will the car actually do the driving for me?" The dealer laughed and then showed Robert the new model that parallel parks for the driver. This example is addressing which issue related to society's attitude towards business?

Self-interest

Allocation of resources

Decentralized decision making

Business cycle

Technological Innovation

The shareholders of DCV Corporation have agreed to coordinate their share purchases so that the stock looks more profitable just prior to the merger, which will help the public see the company as a desirable investment. This is an example of:

misleading financial statements

kickbacks

business wrongdoing

bid rigging

stock-splitting

In recruiting skilled professionals, JKL Recruiting Consultants Inc. provides incentives to potential employees for attending interviews. For example, Xiao Lin is encouraged to bring her husband, Robert, to the job interview at the company's expense. This is an example of what form of corporate wrongdoing?

Misleading financial statements

Kickbacks

Stock manipulation

Bid rigging

There is no wrongdoing

The privilege of operating in society with minimal formalized restrictions, based on maintaining public trust is called:

Relevancy

Righteousness

Legitimacy

Social Licence

Social Preference

Which of the following is true regarding the relationship between business and society?

Society needs businesses, but the reverse is not true.

Business needs society, but the reverse is not true.

Society and business need each other.

Society needs the government, and the government needs business.

Business needs the government, and the government needs society.

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

Why is the term “ethics of business” preferred over the term “business ethics”?

What is a responsible corporation?

The business enterprise system has been described in multiple ways. How would you describe our economic system to a new Canadian?

Describe two ethical issues which will need to be addressed in an era of artificial intelligence (AI).

Name and discuss three macro-level factors influencing attitudes towards business systems.

Name and discuss three meso-level factors influencing attitudes towards business systems.

Explain the implications of new software such as ChatGPT on issues of integrity in academic programs and students in learning institutions.

How does unemployment affect attitudes about business?

How does globalization affect attitudes about business?

Why does business need society and society need business?

Answer Key

Test name: Ch1_Canadian Business Society_6ce

FALSE

TRUE

FALSE

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Short Answer

When referring to *business ethics*, what is meant is the ethics that apply to business. It does not mean there is a special kind of ethics peculiar to business and not applicable elsewhere in life. Thus, the phrase "ethics of business" is used in this book unless referring to another work or spokesperson.

Short Answer

A responsible corporation is defined in the text as a business undertaking that responds to social, ethical, and environmental responsibilities in addition to its economic obligations.

Short Answer

Answers will vary.

Short Answer

Answers will vary. See Everyday Ethics 1.2, Artificial Intelligence (AI) and Ethical Issues. Some of the issues include:

- Challenges of programming AI tools to make decisions involving ethics and social responsibility.
- The social and economic impact of robots and other AI tools must be understood and planned for, particularly the possible loss of jobs.
- The collection, compilation, and use of data gathered by AI tools will make more information available, but, on the other hand, is a threat to privacy.
- The security of data collected by AI tools must be assured.
- Managers will need to understand the capabilities of AI tools and determine the best way to deploy them and to identify what they can and cannot do.

Short Answer

Standard of living — A prominent argument used in justifying or supporting the business enterprise system is the standard of living that it provides. As living standards increase, it is more likely society will view business in a positive manner.

Allocation of resources — Some argue that the efficient allocation of resources is more likely to occur with a business system, as allocation is based on the price and availability of resources. However, critics of the business system challenge the efficiency claim. They argue that enterprises control prices, for example in oligopolistic industries, or that business enterprises control the availability of resources, creating artificial scarcities.

Geopolitical environment — The rate of *globalization* in international trade which allows for healthy import/export conditions has decreased, as the COVID-19 era saw a number of national protectionist strategies rise around the world. Moreover, pre-pandemic conditions included competition from foreign producers, and businesses operating globally were faced with ethical, social, and environmental issues created by minimal local legislation. As an example, Canadian mining corporations have had to respond to complaints about pollution and poor working conditions in their international operations.

Government — The Canadian local, provincial, and federal governments are always involved in business through laws, policies, subsidies, grants, and infrastructure creation.

Short Answer

Decentralized decision-making — Millions of businesses make decisions independently of one another, ensuring that a wide variety of goods and services are available. This choice is viewed favourably by consumers.

Business wrongdoing — Corporate misdeeds also influence society's attitudes. Some of the most common examples of corporate wrongdoing are in the financial area, and include misleading financial statements, insider trading, stock manipulation, bid rigging, embezzlement, and bankruptcy fraud. Some other recent criticism of business is related to workplace health and safety violations, bribery in international markets, weak or absent food safety practices, pollution of the environment, the plundering of natural resources, and excessively high profits, executive compensation, and price gauging.

Media coverage — The media influence society's views of business. Traditional media—that is, books, magazines, newspapers, television, film documentaries, and movies—describe the activities of business and the implications for society. Some of the portrayals are positive, but many are negative and receive a lot of attention.

Short Answer

New software such as ChatGPT has advantages and the capacity for misuse. While business continues to advance technologies, the users and regulators need to be on guard. Institutions of learning, like colleges and universities, need to be diligent about the threat to academic integrity that chatbots create and respond with policies to address the current AI potential. In a course focusing on business and society, an understanding of the ethical dilemmas business innovation provides, and the responsibilities involved, prepares students for the uncertain future that is quickly coming toward them

Short Answer

Employment is associated with a country's economic performance, business cycles, and productivity. How well the country's major industries are performing, and the levels of consumer spending determine employment levels. Unemployment occurs when business lays off or fails to hire employees as business activity declines. Declining productivity of Canadian business may result in goods and services being provided from other countries.

Short Answer

Increased competition comes from foreign producers, job loss occurs as production is outsourced to other countries, and businesses must respond to the demands of customers in other nations. Corporations operating globally are faced with ethical, social, and environmental issues relevant to local areas. As an example, Canadian mining corporations have had to respond to complaints about pollution and poor working conditions in their international operations.

Short Answer

An article by Porter and Kramer made a good case for business and society needing each other. Business needs a healthy society in which education and health-care systems exist. There should be equal opportunity in the workforce and safe products for consumers. Carefully developed government policies increase the efficiency of business. This creates demand for products and services, and corporations pursuing profits at the expense of society are naïve. On the other hand, society needs successful companies. Business is needed to create jobs, wealth, and innovations that improve the standard of living for society. If business is weakened by governments and non-governmental organizations jobs disappear, competitiveness is lost, wages stagnate, and wealth declines.