



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
PGDMM/PGDSCM&L – Two Years Course

COMPUTER MARKED ASSIGNMENT (CMA) For **Jan-June 2020 semester.**

Semester 1
PAPER –4
BUSINESS ETHICS & CSR

Instructions:

1. Answer all 50 questions (compulsory). Each question carries 2 marks Total : 100 Marks
 2. Read instructions given on the OMR answer sheet and answer the questions.
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1. What is meant by the phrase CSR?
 - a) Corporate Social Responsibility
 - b) Company Social Responsibility
 - c) Corporate Society Recapturing
 - d) Company Society Resourcing
2. What is meant by the phrase 'teleological ethics'?
 - a) Is used to judge is an action is right, fair and honest.
 - b) An action can only be judged by its consequences.
 - c) Developing the individual personal characteristics.
 - d) The key purpose of ethics is to increase freedom.
3. For Karl Marx, where do our values come from?
 - a) They are a product of our upbringing and our parents.
 - b) They are a product of what we are taught at school.
 - c) They are a product of social inequality.
 - d) They are a product of the economic system within which we live.
4. What does Milton Friedman believe to be the sole responsibility of business?
 - a) The only social responsibility of business is to its shareholders.
 - b) Managers should act in ways that balance the interest of society and shareholders.
 - c) The primary responsibility organizations have is to its employees.
 - d) The primary responsibility organizations have is to its stakeholders.
5. Why, according to stakeholder theory, is it in companies' best interests to pay attention to their stakeholders?
 - a) If firms only act in their own self-interest employees may feel exploited.
 - b) If firms only act in their own self-interest and inflict harm on stakeholders then society might withdraw its support.
 - c) If firms only act in their own self-interest customers might not like the image that the company portray.
 - d) If firms only act in their own self-interest government might put more regulation on them.
6. What is the enlightened self-interest model of CSR?
 - a) That it is in an organization's own best interest to put itself first rather than its ethics.
 - b) That it is in an organization's best interest to consider what a shareholder would want.
 - c) That it is in an organization's own best interest to follow the legislation
 - d) That it is in an organization's own best interest to act in an ethical way. Abide by the law.
7. What is green washing?
 - a) Transforming products to be more ethical.
 - b) Converting the company to green production methods
 - c) Making a product appear more ethical that it really is.
 - d) Convincing customers to buy ethically.

8. What is triple bottom line?
- An accounting tool that looks at the impact on people, planet and profits.
 - A management strategy which states all the attention should be on profits.
 - An accounting tool that looks at cost, profit and loss.
 - A management strategy which focuses on corporate social responsibility.
9. What does an Ethical Foundation for an organization embody?
- The structure, operational and conduct of the activities of the organization
 - The basic principles which govern the external and internal relations of the organization
 - Neither of the above
 - All of these
10. What does the importance of ethical behaviour, integrity and trust call into question?
- The extent to which managers should attempt to change the underlying beliefs and values of individual followers
 - Who does what
 - What we do next
 - None of the above
11. A _____ sets out the purpose and general direction for the organization?
- Mission statement
 - Purpose statement
 - Vision
 - Profit statement
12. Which of the following would most effectively act as the primary objective of a business organization?
- To make a profit
 - To procure resources
 - To communicate with shareholders
 - To mediate between the organization and the environment
13. Which of the following does the term Corporate Social Responsibility relate to?
- Ethical conduct
 - Environmental practice
 - Community investment
 - All of the above
14. Who are organizational stakeholders?
- Government
 - Employees
 - Customers
 - All of the above
15. What is Ethics to do with?
- The wider community
 - Business
 - Right and wrong
 - Nothing
16. Which of the following is an example of an area where business ethics apply?
- Conduct of international operations
 - Nowhere
 - In the personal life of staff
 - None of the above
17. The four types of social responsibility include:
- legal, philanthropic, economic, and ethical
 - ethical, moral, social, and economic
 - philanthropic, justice, economic, and ethical
 - legal, moral, ethical, and economic
18. The _____ dimension of social responsibility refers to a business's societal contribution of time, money, and other resources.

- a) Ethical
 - b) Philanthropic
 - c) Volunteerism
 - d) Strategic
19. A stakeholder orientation includes all of the following activities except:
- a) generating data about stakeholder groups
 - b) assessing the firm's effects on stakeholder groups
 - c) distributing stakeholder information throughout the firm
 - d) minimizing the influence of stakeholder information on the firm
20. Stakeholders are considered more important to an organization when:
- a) they can make use of their power on the organization
 - b) they do not emphasize the urgency of their issues
 - c) their issues are not legitimate
 - d) they can express themselves articulately
21. Which moral philosophy seeks the greatest good for the greatest number of people?
- a) Consequentialism
 - b) Utilitarianism
 - c) Egoism
 - d) Ethical formalism
22. What type of justice exists if employees are being open, honest, and truthful in their communications at work?
- a) Procedural
 - b) Distributive
 - c) Ethical
 - d) Interactional
23. A high-commitment approach to environmental issues may include all of the following except:
- a) risk analysis
 - b) stakeholder analysis
 - c) green-washing
 - d) strategic sustainability auditing
24. Better access to certain markets, differentiation of products, and the sale of pollution-control technology are ways in which better environmental performance can:
- a) increase revenue
 - b) increase costs
 - c) decrease revenue
 - d) decrease costs
25. To be successful, business ethics training programs need to:
- a) focus on personal opinions of employees.
 - b) be limited to upper executives.
 - c) educate employees on formal ethical frameworks and models of ethical decision making.
 - d) promote the use of emotions in making tough ethical decisions.
26. Most companies begin the process of establishing organizational ethics programs by developing:
- a) ethics training programs.
 - b) codes of conduct.
 - c) ethics enforcement mechanisms.
 - d) hidden agendas.
27. For referent power to be effective, what must exist between individuals in the relationship?
- a) Antipathy
 - b) Rivalry
 - c) History
 - d) Empathy
28. When a firm charges different prices to different groups of customers, it may be accused of:
- a) cultural relativism

- b) money laundering
 - c) facilitating payments
 - d) price discrimination
29. Successful global initiatives addressing standards for business must begin and end with:
- a) the role of corporate governance and shareholder power in corporate decision making.
 - b) social activism
 - c) the implementation of standardized ethics programs.
 - d) the consolidation of economic and environmental efforts.
30. The social economy partnership philosophy emphasizes:
- a) cooperation and assistance.
 - b) profit maximization.
 - c) competition.
 - d) restricting resources and support.
31. Which of the following is not a driver of responsible competitiveness?
- a) Policy drivers
 - b) Development drivers
 - c) Business action
 - d) Social enablers
32. Which of the following is a problem presented by ethics audits?
- a) They may be used to reallocate resources.
 - b) They identify practices that need improvement.
 - c) Selecting auditors may be difficult.
 - d) They may pinpoint problems with stakeholder relationships.
33. Codes of conduct and codes of ethics
- a) are formal statements that describe what an organization expects of its employees.
 - b) become necessary only after a company has been in legal trouble.
 - c) are designed for top executives and managers, not regular employees.
 - d) rarely become an effective component of the ethics and compliance program.
34. Which of the following is NOT one of the primary elements of a strong organizational compliance program?
- a) A written code of conduct
 - b) An ethics officer
 - c) Significant financial expenditures
 - d) A formal ethics training program
35. _____ are standards of behaviour that groups expect of their members.
- a) Codes of conduct.
 - b) Group values.
 - c) Group norms.
 - d) Organizational norms.
36. In a _____ organization, decision making is delegated as far down the chain of command as possible.
- a) Decentralized
 - b) Creative
 - c) Flexible
 - d) Centralized
37. The hand-of-government refers to the
- a) ability of the government to interfere in business negotiations
 - b) role of corporations to be profitable within the law
 - c) effect of national politics on business decisions
 - d) impact of changing government regulations
38. An organization's obligation to act to protect and improve society's welfare as well as its own interests is referred to as
- a) organizational social responsibility
 - b) organizational social responsiveness

- c) corporate obligation
 - d) business ethics
39. The view that business exists at society's pleasure and businesses should meet public expectations of social responsibility is the
- a) iron law of responsibility argument
 - b) enlightened self-interest argument
 - c) capacity argument
 - d) anti-freeloader argument
40. Managerial ethics can be characterized by all of the following levels except
- a) immoral management
 - b) amoral management
 - c) demoral management
 - d) moral management
41. External audit of the accounts of a limited company is required
- a) because it is demanded by the company's bankers
 - b) by the Companies Act 2006
 - c) at the discretion of the shareholders
 - d) to detect fraud
42. Directors' responsibilities are unlikely to include.
- a) a fiduciary duty
 - b) a duty to keep proper accounting records
 - c) a duty to propose high dividends for shareholders
 - d) a duty of care
43. A company may become insolvent if it
- a) has negative working capital
 - b) cannot meet its budgeted level of profit
 - c) makes a loss
 - d) cannot pay creditors in full after realization of its assets
44. A director of a limited company may not be liable for wrongful trading if he or she
- a) took every step to minimize the potential loss to creditors
 - b) increased the valuation of its inventories to cover any potential shortfall
 - c) introduced into the balance sheet an asset based on a valuation of its brands sufficient to meet any shortfall
 - d) brought in some expected sales from next year into the current year
45. Fraudulent trading may be
- a) a civil offence committed by any employee
 - b) a criminal offence committed only by directors of a limited company
 - c) a civil and a criminal offence committed only by directors of a limited company
 - d) a civil and a criminal offence committed by any employee
46. Disqualification of directors may result from breaches under the
- a) Sale of Goods Act 1979
 - b) Financial Services Act 1986
 - c) Companies Act 2006 and Insolvency Act 1986
 - d) Health and Safety at Work Act 1974
47. Directors may not be disqualified for
- a) continuing to trade when the company is insolvent
 - b) persistent breaches of company legislation
 - c) paying inadequate attention to the company finances
 - d) being convicted of drunken driving
48. Which of the following actions will not help directors to protect themselves from non-compliance with their obligations and responsibilities?
- a) keeping themselves fully informed about company affairs

- b) ensuring that regular management accounts are prepared by the company
- c) seeking professional help
- d) including a disclaimer clause in their service contracts

49. According to Cadbury (2002), corporate governance is an issue of power and:

- a) Rights
- b) Accountability
- c) Profit
- d) Appropriability

50. The OECD argues that corporate governance problems arise because:

- a) Ownership and control is separated
- b) Managers always act in their own self interest
- c) Profit maximization is the main objective of organizations
- d) Stakeholders have differing levels of power.
