

UNIVERSIDADE CATÓLICA PORTUGUESA
FACULDADE DE CIÊNCIAS ECONÓMICAS E EMPRESARIAIS
Master of Science in Economics
International Master of Science in Business Administration
1st Semester 2011/2012

Final Exam of (Business) Ethics and (Corporate) Social Responsibility, October 2012

Instructions: Each right answer gives 1 point (except where stated otherwise). Each wrong answer subtracts 1 point from your total.

1. In the ENRON case we discovered that the key problem was:

- a) the dimension of the firm
- b) moral relativism
- c) the behavior of the accountants
- d) conflict of interest**
- e) top managers' arrogance

2. The 4 levels of the Carroll's model are:

- a) Economic, Relational, Ethical and Philanthropic**
- b) Economic, Legal, Ethical and Philanthropic
- c) Economic, Legal, Organizational and Philanthropic
- d) Financial, Relational, Organizational and Philanthropic
- e) None of the above

3) On average, the ethical gap is:

- a) increasing over time**
- b) decreasing over time
- c) practically the same over time
- d) difficult to control
- e) irrelevant for firms in North Europe

4) To avoid ethical sliding you have to:

- a) listen to your moral intuition
- b) behave as a perfectly rational agent
- c) match moral intuition with moral reasoning**
- d) use one of the 4 institutional tools to resolve ethical problems
- e) none of the above

5) Markets' existence requires:

- a) Some minimal ethical standards**
- b) A monetary system which is ethically recognized
- c) A constellation of self reinforcing actors
- d) A strong State which guarantees security
- e) None of the above

6) One of (the three) arguments of Milton Friedman (1970) against business ethics was:

- a) Social Issues are a problem of the Government not of firms**
- b) Managers are only interested in maximizing their salary
- c) Managers have the duty to maximize stakeholders' satisfaction
- d) Managers have the duty to address stakeholders' ethical expectations to increase sales
- e) Managers have the duty to maximize the satisfaction of primary stakeholders

7. In the BP's case study we discovered that:

- a) Identical security standards address fairness**
- b) Different security standards address fairness
- c) Risk management is necessary to address fairness
- d) The CEO cannot modify internal ethical perceptions of employees
- e) The CEO can partially change internal ethical perceptions of employees

8. In the Addiopizzo case:

1) Addiopizzo changed the position of critical stakeholders in the social network

- 2) Critical stakeholders changed the position of Addiopizzo in the social network
- 3) Addiopizzo has a too limited impact on real business
- 4) Addiopizzo too powerful and with too much impact given it's a social movement
- 5) None of the above

9. The six critical issues in human resource management are:

1) I. Processes and attitudes, II. Hiring, III. Group dynamics, IV. Salaries, Promotions and Gifts, V. Executive Education & Training VI. The Golden Slavery

- 2) I. Processes and attitudes, II. Hiring, III. Group dynamics, IV. Salaries, Promotions and Gifts, V. Executive Education & Training VI. The Golden Parachutes
- 3) I. Processes and attitudes, II. Hiring, III. Sexual Harassment IV. Salaries, Promotions and Gifts, V. Executive Education & Training VI. The Golden Slavery
- 4) I. Processes and attitudes, II. Hiring, III. Sexual Harassment, IV. Salaries, Promotions and Gifts, V. Retirement funds, VI. The Golden Slavery
- 5) None of the above

10. In the Deutsche Telekom case we discovered that Mr. Obermann missed the opportunity to use:

1) The government to get protection against a strike

- 2) The government to get protection against a boycott
- 3) Consultants to show employees he was right (with quantitative data)
- 4) Labor Unions to launch a CSR program
- 5) Labor Unions to ask additional subsidies to the government

11. In a crisis situation top managers should:

1) Change stakeholders' ethical expectations

2) Leverage stakeholders' ethical expectations to resolve the crisis

- 3) Ignore stakeholders' ethical expectations and manage the crisis
- 4) Ask the intervention of the government
- 5) None of the above

12. Offensive Advertising:

- 1) when you have a political correctness issue, you always have to comply with stakeholders' requests
- 2) when you have a political correctness issue, you should ignore all stakeholders' requests
- 3) when you have a political correctness issue, you should ask advice to a political expert
- 4) when you have a political correctness issue, and you are in a foreign country, you should contact an expert of your Embassy

5) none of the above

13. In the Guidant case:

1) Guidant managed the crisis in the wrong way

- 2) The responsibility (of the deaths) was mainly of the FDA
- 3) The responsibility (of the deaths) was mainly of the doctors
- 4) The problem was the ethical positioning of the competitors
- 5) The problem was not technological but organizational

14. The utilitarian argument in favor of business ethics (BE) and corporate social responsibility (CSR) is:

1) BE & CSR are necessary to maintain a minimum level of trust in customer-firm relationships. No trust, no economic transactions

- 2) BE & CSR are the only way to reduce negative externalities of business transactions
- 3) BE & CSR are absolutely necessary to cover the errors of governments
- 4) BE & CSR are necessary to shape business models through the utilitarian perspectives
- 5) BE & CSR cannot exist in the real world because people have utilitarian egos.