

TEST A

UNIVERSIDADE CATÓLICA PORTUGUESA
FACULDADE DE CIÊNCIAS ECONÓMICAS E EMPRESARIAIS
Master of Science in Economics
International Master of Science in Business Administration
1st Semester 2008/2009

Final Exam of the course Ethics and Social Responsibility, January the 6th, 2008.

Student Name and Surname _____ Student Number _____

Question 1. Business Ethics:

- a) was invented in the '50s by the Chicago's School
- ☒ b) has roots since the Ancient Greece
- c) was invented by the Chicago's school for marketing purposes in the '50s
- d) was invented at the same time by a group of professor in Chicago & in Harvard

Question 2. Ethical Grey areas (ethics-law):

- a) are not important for firms activities
- b) require the advice of an external consultant
- c) require the development of a specific code of conduct
- ☒ d) require special attention because are out of the law

Question 3. Saint Thomas Aquinas' Ethics:

- a) is a moral system partially complete but useful
- b) is unable to resolve many contemporary problems
- c) is theoretically based on the objections of Greek Philosophers
- d) points out the importance of equilibrium between extremes

Question 4. The case study from AIDS in Africa (Class 7 and 8) showed that:

- a) African Governments have the main responsibility in resolving this plague
- b) Pharmaceutical companies have the main responsibility to help infected people in Africa
- c) patents should never be violated
- ☒ d) none of the above

Question 5. The talk of Alisa Miller pointed out (Class on Marketing and Information Ethics):

- a) covering Britney Spears news is cheaper
- b) governments press media to censure important information
- c) on average, journalist are not sufficiently prepared to do their job
- ☒ d) politic and industry lobbies affect media coverage

TEST A

Question 7. The talk of Mark Bittman pointed out (Class on Corporate Social Responsibility):

- a) cows are the atomic bombs of our time
- b) meat is the only healthy component of US diet
- c) it is socially responsible to buy organic meat
- d) it is socially responsible to buy certified organic meat

CASE STUDY

You are the director for sales of Alpha, a company which produces cardiac implantable defibrillators. You discover that the implantable defibrillators produced between the 2002 and 2003 have some problems and consequently the risk of failure of the defibrillator and the consequent death is higher than what was told to the doctors and the patients before the implanting surgery (0.5%). You also discover that the risks associated with the surgery to put a new defibrillator and replace the old one (5 % death rate due to complications) are higher than the risk to leave the old defected defibrillator (1% death rate). According to the law, Alpha does not have to contact the patient, but just the Minister for Health and your R&D department has already done it. According to the law, you do not have any other obligation of information disclosure. So, if you will contact the patients with the defected defibrillator they will be in panic and they will most probably want to go under a surgery which would be much more risky than taking the old defected defibrillator in their hearths.

Question 1: Please list the primary stakeholders involved in this story:

- Patients
- doctors
- Hospital (buy the cardiac implantable defibrillator)

Question 2: Please list the secondary stakeholders involved in this story:

- Families of the Patients (worried)
- Government
- Employees of "Alpha"
- Possible patients (could not trust in Alpha)

Question 3: Please develop the ethical map

The Main Problems:

- * the health of the patients
- * Responsibilities of the Company "Alpha"
- * Getting the right information

Different positions

- tell the patients that the cardiac implantable defibrillator have some problems
- do not tell

↳ it is situated in a grey area → not define by the law

- * Creating panic vs. replace the old cardiac implantable defibrillator

Question 3 *:

Stakeholder

Patient

doctor

Hospital

Problem

- if they know the problem, they probably will be in panic
- if they do not know the problem, they could die.

- do not know in 02/03 that the cardiac implantable were with problems → lost of credibility with their patient
- lost also of credibility to the patients and future patients

* the position of the doctors (credibility) + the hospital

stakeholder	Problem
families of the Patients	worried with their families
Government	duty vs. not duty of telling the Problem or forcing the Alpha telling the problem
employees	→ bad image of their work
Possible	→ not trust in

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BUSINESS ETHICS

2007/Jun/29

Exam

Duration: 1h

I (12 points)

I - History of Ethics 1. Utilitarianism as a philosophical system a) was revived in the 1980's b) is not necessarily selfish c) aims to be rational and efficient d) all of the above	3. The virtue of justice is related to a) human operations and relations b) human instincts and desires c) life's ultimate ends d) ethical laws
2. Stoics and Epicurists represent a) the extremes in the happiness-virtue relation b) followers of virtue ethics c) the base of Middle Age ethics d) Kant's disciples	III- Business Ethics 1. Deceiving publicity a) is good if legal b) is good if not harmful c) is good if it is a joke d) is never good
3. Machiavelli's main contribution was to: a) separate private from public morals b) oppose God's law c) impose pure reason d) promote the defence of commerce	2. Suppliers should be considered a) with as much respect as shareholders b) with more respect than shareholders c) with respect, but less than shareholders d) without respect
II- St. Thomas Aquinas Ethical System 1. The voluntary character of the act a) is increased by concupiscence b) is decreased by concupiscence c) is eliminated by concupiscence d) is neutral with respect to concupiscence	3. The firm having profit is a) opposed to its social responsibility b) part of its responsibility c) indispensable to its social responsibility d) all of the above
2. Natural law is for St Thomas a) the foundation of ethics itself b) must be followed to the letter c) the basic reason of man d) none of the above	4. Business ethics must be something: a) conceived as an academic discipline b) everybody knows naturally c) everybody must study d) none of the above

II (8 points.)

A colleague of yours, who is in charge of the philanthropic foundation created by your firm, phones you with a case he considers very serious:

He was asked for a donation from a social group promoting homosexual rights. He knows the CEO and some of the directors of the firm are very committed to this cause, but he is afraid of consequences to the image of the firm, and asks your opinion.

What do you recommend him?

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I - History of Ethics A. The present situation of moral philosophy is: a) dominated by a particular school b) characterized by a multiplicity of schools c) lack of schools of ethics d) all of the above	C. Virtue is attained a) through the natural law b) by a behavioural habit c) through conscience d) is reserved for just a few
B. The central moral concept of David Hume is: a) categorical imperative b) sympathy c) social contract d) virtue	III- Business ethics A. The firm has social responsibility a) more than its members b) like its members c) less than its members d) different from its members
C. One of the innovations of Christian ethics is: a) justice b) fear of God c) pardon d) virtue	B. Staff questions ethically: a) have as much importance as any other b) always demand special care c) must always be the most important d) are the only ones which should be considered
II- Ethical System of S. Thomas Aquinas A. For S. Thomas, a) the end justifies the means b) the end is the form of the moral act c) purpose is irrelevant for morality d) purpose is the only relevant thing for morality	C. Degrading publicity is ethically a) a possible form to call attention b) an aggression to the consumer and society c) an unorthodox method of propaganda d) none of the above
B. For S. Thomas, prudence is: a) an intellectual virtue b) a moral virtue c) a theological virtue d) an ethical act	D. Professional deontology: a) encompasses all of professional ethics b) is alien to professional ethics c) is a part of professional ethics d) is opposed to professional ethics

II (8 points.)

Your boss, knowing that you attended the course on business ethics at Catholic University, asks you for a little report (LESS THAN TWO PAGES LONG) about the conduct the firm should have facing the debt pardon to Third World firms, indicating correct attitudes, problems which should be taken into consideration and several kinds of difficulties which must be anticipated.

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