

CHAPTER 8  
BUSINESS ETHICS

THIS CHAPTER COVERS MCQs ON:

- Genesis of ethics
- Concept of ethics
- Elements of business ethics
- Features of business ethics
- Advantages of business ethics
- Scope of ethics in business
- Why business should behave ethically?
- Reasons for unethical business practices
- Measures to improve ethical behavior of business
- Ethical principles in business

Ethics

1. The term 'business ethics' come into common use in year.....
  - a) 1950
  - b) 1960
  - c) 1970
  - d) 1980
2. The term "ethics" is derived from the Greek word.....
  - a) Ethos
  - b) Ethocis
  - c) Ethooyis
  - d) Ethis
3. Ethics refers to a ..... that guides an individual while dealing with others.
  - a) Code
  - b) Conduct
  - c) Code of conduct
  - d) Rules of conduct
4. The society for business Ethics was started in .....
  - a) 1950
  - b) 1960
  - c) 1970
  - d) 1980
5. European business schools adopted business ethics after..... commencing with the European Business Ethics Network(EBEN) in ..... when the first single –authored books in the field appeared
  - a) 1987, 1982
  - b) 1980, 1982
  - c) 1982, 1980
  - d) 1977, 1984
6. Ethics is a set of ..... Of human conduct that govern the behavior of individuals or organizations
  - a) Principles
  - b) Standards
  - c) Principles or standards
  - d) None of the above
7. .... is a set of principles and expectations that are considered binding on any person who is member of a particular group.
  - a) Code of conduct
  - b) Code of ethics
  - c) Code of practice
  - d) Any of the above
8. .... Made it important for business to have an ethics code, something in writing about what one ought to do, and what to strive for.
  - a) The ethics & code Conduct Act,2000
  - b) The Sarbanes-Ethics of Code conduct Act, 2001
  - c) The Sarbanes-Oxley Act, 2002
  - d) None of above
9. The Sarbanes-Oxley act of 2002 made it important for businesses to have an.....
  - a) Ethics code
  - b) Code of conduct
  - c) Code of practice
  - d) Business ethics
10. Business ethics is a code of conduct which society should follow while conducting their social activities.
  - a) True
  - b) False
  - c) Partly true
  - d) None of above
11. Business ethics has a..... Application.
  - a) Natural

- b) Practical  
c) Universal  
d) None of the above
12. Which of the following Act made code of ethics mandatory for all organizations?  
a) The companies Act, 1956  
b) The Sarbanes -Oxley Act,2002  
c) The partnership Act,1932  
d) None of the above
13. Which of the following is a feature of business ethics?  
a) Business Ethics has  
b) It is a relative norm. it differs form business to business  
c) Business ethics is based on well accepted moral and social values  
d) All the above
14. Which of the following is a feature of business ethics?  
a) Business ethics is based on well accepted moral and social values  
b) Practice of business ethics gives protection to customers and other social groups related to a firm  
c) Business ethics provide the legal, social, moral economical and cultural limits within which business had to be conducted.  
d) All the above
15. .... is about obeying and adhering to rules and authority.  
a) Ethics  
b) Code  
c) Conduct  
d) Compliance
16. The ethical issue in finance the companies and employees are confronted with include:.....  
a) Fraudulent asset valuations  
b) Insider trading  
c) Over billing of expenses  
d) All the above
17. The issues of ethics faced by HRM include.....  
a) Facilitation payments  
b) Securities fraud leading to manipulation of the financial markets  
c) Discrimination issues  
d) All of above
18. The issues of ethics faced by HRM include:....  
a) Anti-competitive practices like manipulation of supply  
b) Sexual harassment  
c) Misleading advertisements  
d) All of above
19. The issues of ethics faced by marketing include:  
a) Price discrimination  
b) Fraudulent asset valuations  
c) Issues affecting the privacy of the employer  
d) All of above
20. The issues of ethics faced by marketing include:.....  
a) Price fixing  
b) Price discrimination  
c) Price skimming  
d) All of above
21. The issues of ethics faced by marketing include:.....  
a) Black markets, grey markets  
b) Occupational safety and health  
c) Affirmative action  
d) All of above
22. Issues affecting the privacy of the employee:  
a) Anti-competitive practices  
b) Workplace surveillance  
c) Drug testing  
d) (b) and (c)
23. The issues of ethics faced by production include;  
a) Product testing ethics  
b) Defective, addictive and inherently dangerous products  
c) Ethical problems arising out of new technologies  
d) All of above

24. Scope of ethics in business is in which area(s)
- Compliance
  - Fiancé & HR
  - Marketing and Production
  - All of the above
25. An organization has to behave ethically because it has to exist in the competitive environment.
- False
  - True
  - Partly true
  - None of above
26. Reasons why business should act ethically;
- To protect its own interest and of the business community as a whole.
  - To increase its profitability
  - To minimize loses
  - All of above
27. Reasons why business should act ethically;
- To keep its commitment to society to act ethically.
  - To meet stakeholder expectations.
  - To protect their employees
  - All of above
28. Which of the following reason is/are applicable for unethical business practices?
- Well organized consumer movement
  - Commitment to society
  - Greed for quick money
  - All of above
29. Which of the reason is/are applicable for unethical business practices?
- Workplace surveillance
  - Administrative corruption
  - Profit making by some of the big companies
  - All of above
30. Which of the following reason is /are applicable for unethical business practices?
- Absence of well organized consumer movement
  - No government support
  - Greed for quick money
  - All of above
31. Measures to improve ethical behavior of business are framed at which level-
- Institutional level
  - Government level
  - Societal level
  - All of the above
32. Government has placed certain awards like Indira Gandhi paryavarn puruskar; the Indira Gandhi priyadarshini award for those individuals who carry on ..... In India.
- Profitable business
  - Ethical business
  - Good corporate governance
  - All of above
33. Which of the following is not a reason for business to act ethically?
- To protect its own interest and of the business community as a whole
  - To meet stakeholder expectations
  - To build trust with key stakeholder groups
  - To not protect their employees and their reputation
34. Ethical executives abide by relating to their business activities
- Laws
  - Rules
  - Laws, rules and regulations
  - None of above
35. Which of the following is not a demission of corporate Social responsibility?
- Economic
  - Legal
  - Voluntary
  - Emotional
36. Which of the following is a 'business practice' towards government?
- Ensure safety of their money and timely payment of interest
  - Rules and regulations regarding taxes, duties restrictive and monopolistic trade practices should be adhered to
  - Unscrupulous tactics and methods should be avoided while handling them
  - None of the above

37. Sarbanes -Oxley Act of 2002 is named after which
- a) Aristotle
  - b) Senator Paul Sarbanes
  - c) Michael Oxley
  - d) Both (a) and (b)
38. Fraudulent asset valuations, insider trading, securities fraud leading to manipulation of the financial markets and executive compensation etc are a part of scope in.....
- a) Production
  - b) Compliance
  - c) Finance
  - d) HR
39. State as to why a business should behave ethically?
- a) To unprotect its own interest and of the business community as a whole
  - b) To keep its commitment to society to act ethically
  - c) To not meet stakeholder expectations
  - d) To build distrust with key stakeholder groups
40. Ethics in compliance means.....
- a) It is about obeying and adhering to rules and authority
  - b) It deals with the moral principles behind the operation and regulation of marketing
  - c) It deals with the duties of a company to ensure that products and production processes do not cause harm
  - d) None of the above
41. Ethics has become the buzzword in the corporate world because of
- a) Globalization
  - b) Communication explosion
  - c) Exploitation
  - d) Both (a) and (b)
42. Companies which are responsive to employees needs have
- a) Profits
  - b) Lower turnover in staff
  - c) Staff satisfaction
  - d) Strikes
43. A business should have which kind of an approach?
- a) Profit earning
  - b) Social responsibility
  - c) Both (a) and (b)
  - d) Either (a) and (b)
44. Which functional areas in business ethics is about obeying and adhering to rules and authority
- a) Ethics in compliance
  - b) Ethics in fiancé
  - c) Ethics in production
  - d) None of the above
45. Which of the following is an unethical business practice?
- a) Collusion
  - b) False communication
  - c) Insider trading
  - d) All the above
46. Which of the following is known as statements of value and principles that define purpose of the organizations?
- a) Code of ethics
  - b) Code of Practices
  - c) Code of behavior
  - d) Code of management
47. Which of the following is not a 'code of conduct'?
- a) Code of ethics
  - b) Code of practices
  - c) Code of behavior
  - d) Code of management
48. They are concerned about ethics, social responsibility and reputation of the company in which they invest-
- a) Employees
  - b) Employees
  - c) Investors
  - d) Students
49. Administrative corruption includes "gifts" to the
- a) Factory inspector
  - b) Boiler inspector
  - c) Pollution control board inspectors

- d) All of the above
50. Compliance is about obeying and adhering to .....
- a) Rules and authority
  - b) Discipline
  - c) Laws
  - d) All of the above
51. Business Ethics is a code of conduct which businessman should follow while conducting their.....
- a) Normal activities
  - b) Special activities
  - c) Specific activities
  - d) None of the above
52. Business ethics cannot be enforced by
- a) Governance
  - b) Businesses
  - c) Law
  - d) None of the above
53. Corporate entities are legally considered as persons in.....
- a) USA
  - b) Japan
  - c) China
  - d) None of the above
54. The idea of business ethics caught the attention of academics media and business firms by the end of the .....
- a) First world war
  - b) Second world war
  - c) Cold war
  - d) None of the above
55. Business ethics is based on well accepted
- a) Moral and social values
  - b) Social values only
  - c) Moral values only
  - d) None of the above
56. An expert who is confidentially available to solve the ethical dilemmas is known as
- a) Ethic coach
  - b) Ethics trainer
  - c) Ethics guide
  - d) None of the above
57. A set of principles and expectations that are considered binding on any person who is member of a particular group is known as-
- a) Code of ethics
  - b) Values
  - c) Ethics
  - d) None of the above
58. Business ethics has a .....application
- a) Universal
  - b) Natural
  - c) Practical
  - d) None of the above
59. The term 'business ethics' came into common use in year.....
- a) 1680
  - b) 1780
  - c) 1980
  - d) 1970
60. The process where a person informs on another or makes public disclosure of corruption or wrongdoing.....
- a) Endeavour
  - b) Whistle blowing
  - c) Dilemmas
  - d) Veteran