

**OLLSCOIL NA hÉIREANN, GAILLIMH
NATIONAL UNIVERSITY OF IRELAND, GALWAY**

SUMMER EXAMINATIONS. 1999/00

BACHELOR OF COMMERCE YEAR II

MG204 - BUSINESS & SOCIETY

**Professor P. Willman
Professor R. Green
Mr. J. Cunningham**

Time Allowed: TWO HOURS

Section A

Answer TWO questions

(Total Marks 66)

Section B

Compulsory Multiple Choice

Instructions

- Choose the best answer from the five responses listed.
- Use the Answer Sheet provided.
- Hand up Answer Sheet Only with Student Identification (ID#) Number.
- Student Identification Number (ID#) begin with a leading '0'.
- Preferably use pencil.

(Total Marks 34)

Section A
Please answer TWO questions

1. The Minister for Public Enterprise is currently considering the possibility of privatising the national bus service, Bus Éireann. Currently some of the bus network in Ireland needs to be upgraded to European Union standards, but this will require significant investment to replace old buses, new ticketing systems and improved bus shelters. You are required to outline the case for and against this proposal, and discuss what sectors of society will gain or lose as a result of this proposal.

(33 Marks)

2. Your firm recently hired a new manager who is at the same level you are. You do not like the man personally and consider him a rival professionally. You run into a friend who knows your rival well. You discover this man did not attend Harvard Business School as he stated on his curriculum vitae and in fact has not graduated from any college. You know his supposed Harvard background was instrumental in getting him hired. You

- a) Expose the lie to your superiors.
- b) Without naming names, consult your human resources director on how to proceed.
- c) Say nothing. The company obviously failed to undertake a background check, and the lie will probably surface on its own.
- d) Confront the man with the information and let him decide what to do.

Outline which one of these approaches you would choose and describe the ethical criteria and rationale for the approach you have chosen.

AND

Discuss how a company can take some practical steps to define better and assist employees in resolving ethical problems.

(33 Marks)

3. 'The World Trade Organisation kills people. Kill the World Trade Organisation.'
People's Global Action, Seattle 30 November 1999.

Outline the main drivers towards globalisation of world economies and the role of the major power players involved.

AND

Discuss the impact of the marketplace on business and society.

(33 Marks)

SECTION B: COMPULSORY MULTIPLE CHOICE

Choose the best answer from the responses listed. Use the Answer Sheet provided

1. The social contract is
 - a) clear statement of specific business responsibilities.
 - b) provision included in a corporate charter.
 - c) defines broad relationship between business and society.
 - d) written resolution of disputes with government.
 - e) enforced by the courts.
2. Which of the following is NOT part of the internal business environment
 - a) company culture.
 - b) managers.
 - c) board of directors.
 - d) employees.
 - e) all of the above are part of the internal environment.
3. Business power
 - a) is derived from the social contract.
 - b) stems from conversion of resources into goods and services.
 - c) is a force that alters history.
 - d) all of the above.
 - e) none of the above.
4. An agrarian society is
 - a) a pre-industrial society.
 - b) based on agriculture.
 - c) one with traditional values.
 - d) all of the above .
 - e) none of the above.
5. Which of the following is NOT one of the dominant stakeholders for a typical, large corporation
 - a) customers.
 - b) employees.
 - c) governments.
 - d) interest groups such as environmental or consumer groups.
 - e) communities.
6. The most significant forces pressuring business to undertake social program are
 - a) activist groups.
 - b) college professors.
 - c) consumers.
 - d) governments.
 - e) labour unions.
7. Ethics is best defined as
 - a) the study of human customs and habits.
 - b) the study of principles of behaviour.
 - c) the study of what is good and bad, right and wrong, just and unjust.
 - d) the study of cultural values.
 - e) the study of facts about human actions.

8. The theory of justice requires that
- benefits and burdens be distributed using impartial criteria.
 - rewards and punishments be meted out even-handedly.
 - administrative procedures apply equally to all employees.
 - all of the above.
 - none of the above.
9. According to Aristotle, the two factors diminishing ethical responsibility are
- internal and external.
 - circumstantial and factual.
 - structural and functional.
 - competitive and organisational.
 - ignorance and incapacity.
10. Which of the following is NOT a factor that may excuse ethical responsibility by blocking the most ethical course of action.
- Unrealistically high cost.
 - Lack of ethical motivation.
 - No power to influence outcome.
 - External compulsion.
 - Lack of an alternative.
11. The large majority of ethical issues that arise in business
- yield to clear and easy resolution when widely accepted guidelines are applied.
 - are difficult to resolve and it is unclear how principles of behaviour apply
 - are not resolved but worsen over time.
 - arise because twentieth-century business activities pose new issues not covered by ethical codes from past centuries.
 - result from gender conflicts.
12. Independent regulatory commissions
- make only command-and-control regulatory decisions.
 - deal only with regulations that affect states.
 - exercise the executive, legislative, and judicial powers.
 - are gradually being phased out of government regulations.
 - all of the above.
13. Which of the following activities is NOT better undertaken by government
- setting forth national goals.
 - developing ground rules for private industry.
 - taxation for social purposes.
 - management of productive facilities.
 - all these are activities are best undertaken by government.
14. The concept of non polluting economic growth that does not deplete the net resources of the earth is called
- sustainable development.
 - green capitalism.
 - eco-manufacturing.
 - socialism.
 - deep ecology.

15. Which of the following is NOT a serious problem with environmental laws?
- a) There are too few.
 - b) They impose confusing and contradictory standards.
 - c) They contain contradictory provisions.
 - d) They are very complex.
 - e) They invite litigation
16. Market incentive regulations differ from command and control regulations in being generally
- a) make only command-and-control regulatory decisions.
 - b) deal only with regulations that affect states.
 - c) exercise the executive, legislative, and judicial powers.
 - d) are gradually being phased out of government regulations.
 - e) all of the above.
17. Which of the following is NOT an argument for the assumption of social responsibilities by business?
- a) Society expects business to assume such a role.
 - b) In the long run, it is in the self-interest of business.
 - c) Unless corporations assume the role of social corporate responsibility, economic concentration will increase drastically.
 - d) Such action is necessary to forestall government intervention.
 - e) None of the above.
18. The dominance model reflects the beliefs of
- a) business critics.
 - b) business executives.
 - c) those who believe industrial capitalism distributes wealth and power broadly.
 - d) those who believe that business has been much weakened by government regulations.
 - e) none of the above.
19. Which of the following statements is correct?
- a) While the environment has a major impact on business, business has little impact on environmental forces.
 - b) Neither business nor environmental forces have must impact on each other.
 - c) Business activities have a major impact on society's values.
 - d) Corporations have little influence on local communities.
 - e) Market forces are unimportant in shaping business behaviour.
20. The tension between capitalism and democracy arises because
- a) political participation is more limited as time goes by.
 - b) the market mechanism is not as efficient as the democratic political system.
 - c) people perceive government and business as incompatible.
 - d) stable democracies tend to move to the right adopt more and more conservative public policies.
 - e) capitalism tends to create inequalities while democracy tries to reinforce values related to equality.

21. Asset concentration in a small number of large firms
 - a) is characteristic only of the United States.
 - b) is characteristic of all industrialised nations.
 - c) is found only in the United States and Japan.
 - d) is found only in countries where families control large corporation.
 - e) is found only in the European Union.
22. Firms in highly concentrated industries tend to
 - a) pay higher wages.
 - b) raise prices more slowly than firms in less concentrated industries.
 - c) have higher increases in productivity than in less concentrated industries.
 - d) all of the above.
 - e) none of the above.
23. Decisions by companies to undertake specific social programs are
 - a) dictated by to management.
 - b) decided in the typical corporate planning system.
 - c) made in the company's philanthropic foundation.
 - d) left to individual division managers.
 - e) all the above.
24. The term 'stakeholder' refers to
 - a) a set of laws governing corporate social responsibility.
 - b) a creditor owed money by a corporation.
 - c) an elite socio-economic class.
 - d) a group or individual affect by the operation of a business.
 - e) an industry which provides a product used by another industry.
25. Ethical theories of justice require that
 - a) benefits and burden be distributed according to impartial criteria.
 - b) rewards and punishments be meted out even-handedly.
 - c) administrative procedures apply equally to all employees.
 - d) all the above.
 - e) none of the above.
26. Legitimacy refers to
 - a) power exercised by governments.
 - b) the rightful use of power.
 - c) the exercise of power beyond right.
 - d) potential power.
 - e) any use of power in response to stakeholder demands.
27. The internal business environment can be described in several ways, for example,
 - a) as being identical to the company culture.
 - b) as being composed of major groups in a company with varying values.
 - c) as an entity distinct from the company's top down management.
 - d) only A above.
 - e) only A and B above.

28. The source of legitimacy for power exercised by corporations is
- a) the belief of society that ethical virtue is associated with market success.
 - b) the deference given to the elite running big business.
 - c) the belief that business activity is sanctioned by Christian principles.
 - d) a social contract granting business authority to use property for the public welfare.
 - e) a conspiracy among business and government leaders.
29. Individuals in Thomas R.Dye 'national institutional elite' are ____ percent of the American population
- a) Less than 1
 - b) 2
 - c) 5
 - d) 10
 - e) 25.
30. The ideology of industrialism was derived from the basic tenets of
- a) Constitutionalism
 - b) Humanism
 - c) Egalitarianism
 - d) Evolutionary Biology
 - e) Capitalism.
31. Economist Milton Friedman asserts that
- a) corporations should be socially responsible.
 - b) social programs may increase short and long term profitability.
 - c) business and government should work together to solve social problems.
 - d) stockholders' interest dictates the need to corporate social action.
 - e) social responsibility is contrary to the basic functions of business.
32. The utilitarian ethic is flawed in that
- a) it lends itself to expedient or self interested reasoning.
 - b) it permits harm to individuals and minority groups.
 - c) it fails to protect the interest of the overall community.
 - d) all the above.
 - e) only A and B above.
33. Market incentive regulations differ from command regulations in being generally
- a) more rigid.
 - b) more uniform in application to different companies.
 - c) less efficient in allocating resources.
 - d) more predictable.
 - e) more flexible.
34. According to Michael Porter, competitive advantage of nations is due to
- a) delayed development of consumer economies.
 - b) the presence of large unskilled labour force.
 - c) the need to overcome the lack of natural resources.
 - d) the presence of industrial clusters.
 - e) extensive protection from market forces for developing industries.

(Section B Ends)