

CHAPTER 4 Ethics and Social Responsibility

A. Match each definition in the left column with the correct term from the right column. Write the letter of the term in the space provided.

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| _____ 1. the ownership of ideas, such as inventions, books, movies, and computer programs | a. ethics |
| _____ 2. the obligation that individuals or businesses have to help solve social problems | b. code of ethics |
| _____ 3. a document that outlines the principles of conduct to be used in making decisions within the organization | c. intellectual property |
| _____ 4. a set of moral principles or values that govern behavior | d. social audit |
| _____ 5. the employees, customers, suppliers, and the community who are affected by a company's actions | e. stakeholder |
| _____ 6. a review of a business's social responsiveness | f. social responsibility |

B. In the space provided at the left, write the letter of the choice that best completes the statement or answers the question.

- _____ 7. A code of ethics adopted by a company will most likely include all of the following EXCEPT
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| a. honesty. | c. security. |
| b. destruction of the environments. | d. adherence to the law. |
- _____ 8. Ethical behavior can best be described as
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| a. employee theft. | c. falsifying records. |
| b. behaving honestly. | d. lying about hours worked. |
- _____ 9. This law made it illegal to charge different prices to different wholesale customers.
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|------------------------|---|
| a. Sherman Act of 1890 | c. Wheeler-Lea Act of 1938 |
| b. Clayton Act of 1914 | d. Federal Food, Drug, and Cosmetic Act of 1938 |
- _____ 10. This law guards against false advertising.
- | | |
|------------------------|---|
| a. Sherman Act of 1890 | c. Wheeler-Lea Act of 1938 |
| b. Clayton Act of 1914 | d. Federal Food, Drug, and Cosmetic Act of 1938 |
- _____ 11. This law can force a manufacturer to recall a product if found to be impure.
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| a. Federal Food, Drug, and Cosmetic Act of 1938 |
| b. Truth in Lending Act of 1968 |
| c. National Environmental Policy Act of 1969 |
| d. Wheeler-Lea Act of 1938 |
- _____ 12. Social responsibility is best characterized by which of the following?
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| a. allowing consumers to freely try a product for 30 days before buying |
| b. using packaging materials that are environmentally friendly and reduce pollution |
| c. creating entry level jobs for minorities and allowing men to move into upper management |
| d. discouraging carpooling because it takes longer for employees to get to work |

C. In the space provided, write the word (or words) from the list that will best complete each statement.

trustee management
social responsibility

employee theft
ethical

gift giving
laws

13. In some cultures _____ is expected, and failure to present them is considered an insult.
14. The philosophy of _____ recognized that owners of businesses have obligations to do more than just earn profits.
15. _____ behavior helps employees gain the trust of the people with whom they work.
16. Over the years various _____ have been enacted that directly relate to the issue of ethics in business.
17. Corporations demonstrate their sense of _____ by contributing time and money to charitable, cultural, and civic organizations.
18. Submitting a false expense account is an example of _____.

D. Answer each question in the space provided.

19. What does the Truth in Lending Act of 1968 protect against?

20. How are intellectual property rights guaranteed in the United States?

21. What are the three schools of thought about the role of the corporation?

22. What three laws enacted in the 1970s have had a major impact on how businesses treat the environment?

23. How do corporations demonstrate their sense of social responsibility?

24. What is one way businesses can solve ethical dilemmas?

E. On a separate sheet of paper, write a 100-word paragraph that discusses this topic.

25. How have corporate views of social responsibility changed since the nineteenth century? Give examples.

Score (number correct x 4 points) = _____