

# CHAPTER 4 Ethics and Social Responsibility

## SELF-ASSESSMENT

### Fill in the Blank

Fill in the blanks using the terms in the Answer Box.

#### Answer Box

intellectual property  
ethics  
social responsibility  
social audit  
gift giving

code of ethics  
philanthropy  
stakeholders  
laws  
trustee management

1. In some cultures \_\_\_\_\_ is expected, and failure to present them is considered an insult.
2. Corporations demonstrate their sense of \_\_\_\_\_ by contributing time and money to charitable, cultural, and civic organizations.
3. A \_\_\_\_\_ is a document that outlines the principles of conduct to be used in making decisions within the organization.
4. The ownership of ideas is commonly referred to as \_\_\_\_\_.
5. \_\_\_\_\_ are a set of moral principles or values that govern behavior.
6. Businesses have obligations to all of the people affected by their actions who are known as \_\_\_\_\_.
7. A \_\_\_\_\_ is a review of a business's social responsiveness.
8. Over the years, various \_\_\_\_\_ have been enacted that directly relate to the issue of ethics in business.
9. A corporate effort to improve human welfare is also known as \_\_\_\_\_.
10. The philosophy of \_\_\_\_\_ recognizes that owners of businesses have obligations to do more than just earn profits.



## SELF-ASSESSMENT (continued)

### Completion

Circle the letter of the word or phrase that best completes each of the following sentences.

11. The law that set standards on the type and quantity of pollutants that industries can put into bodies of water is the
  - a. National Environmental Policy Act.
  - b. Toxic Substances Control Act.
  - c. Clean Water Act.
  - d. Toxic Waste Treatment Act.
12. The National Environmental Policy Act was created in
  - a. 1969.
  - b. 1970.
  - c. 1971.
  - d. none of the above.
13. According to your text, lavish gift giving is an important part of doing business in
  - a. Albania.
  - b. Russia.
  - c. Japan.
  - d. both a and c.
14. Intellectual property rights are guaranteed through
  - a. patent laws.
  - b. trademark laws.
  - c. copyright laws.
  - d. all of the above.
15. One way businesses can solve ethical dilemmas is through
  - a. conducting conflict management seminars.
  - b. enforcing a code of ethics.
  - c. relying solely on management skills and abilities.
  - d. none of the above.
16. Taking money from a cash register is an example of
  - a. ethical behavior.
  - b. unethical behavior.
  - c. employee salary problems.
  - d. both a and c.

*Continued on next page*



## SELF-ASSESSMENT (continued)

17. If the ethical course of action is not clear, you have an ethical
- combination.
  - situation.
  - dilemma.
  - none of the above.
18. A manufacturer of steel cannot charge one price to General Motors and another price to Chrysler under the
- Sherman Act of 1890.
  - Clayton Act of 1914.
  - Wheeler-Lea Act of 1938.
  - none of the above.
19. Manufacturers can be forced to recall a defective product by the
- Consumer Product Safety Commission.
  - Environmental Protection Agency.
  - Food and Drug Administration.
  - both a and b.
20. A company can demonstrate its sense of social responsibility through
- philanthropy and volunteerism.
  - environmental awareness.
  - maintaining ethnically diverse workforces.
  - all of the above.

### True/False

*Circle T for true and F for false for each of the statements below.*

- |  |   |   |
|--|---|---|
| 21. Ethical employees sometimes steal from the company for good reasons.   | T | F |
| 22. Social audits are used to measure a company's social responsiveness.   | T | F |
| 23. By establishing a code of ethics, a corporation is doing all it can to prevent unethical behavior.   | T | F |
| 24. American managers operating abroad must abide by the standards set in the United States.   | T | F |
| 25. Over the past 35 years, most corporations have made efforts to diversify their workforces by hiring and promoting more women and minorities. | T | F |

