



FINAL
Examination Paper

(COVER PAGE)

Session : AUGUST 2017

Programme : Diploma in Business (DIB)

Course : LAW2103: Business Ethics

Date of Examination : 8 December, 2017 (Friday)

Time : 8:00 am – 10:00 am Reading Time : Nil

Duration : 2 Hours

Special Instructions :

SECTION A: Answer any THREE (3) questions.

SECTION B: Answer any ONE (1) question.

Materials permitted : Nil

Materials provided : Nil

Examiner(s) : Meninder Kaur and Siti Baqiratul

Moderator : Dr Chan Wai Meng

This paper consists of 3 printed pages, including the cover page

DIPLOMA IN BUSINESS PROGRAMME (DIB)
LAW2103: BUSINESS ETHICS
FINAL EXAMINATION: AUGUST 2017 SESSION

Instruction: This PAPER contains **SIX (6)** questions. Answer any **THREE (3)** QUESTION in **part A** and any **ONE (1)** QUESTION in **part B** in the answer booklet provided.

Section A: (75 marks)

1. *Albert Carr's popular essay, "Is Business Bluffing Ethical?" argues that deception, for example, is a legitimate part of business. Business, he says, is like a poker game.- Albert Z. Carr, "Is Business Bluffing Ethical," Harvard Business Review (January-February, 1968) 2-8*
 - (a) Discuss the theory propounded by Mr Albert Carr.

(10 marks)
 - (b) Discuss the implications Albert Carrs theory have in making ethical business decision.

(15 marks)

2. Ali is the owner of a business trading in manufacturing and selling rubber gloves in Kampung Baru. One day, he was approached by one Mr James Chong who is the managing director of a large company based in Shanghai, China. (hereinafter referred to as "The China Company") . The China Company proposed to buy over Ali's business. In consideration, Ali would be given a substantial number of shares in the China Company. Nonetheless, it was also stipulated in the Agreement that Ali's factory in Kampung Baru will be closed down. This term was included in the agreement with the sole motive of giving job opportunities in China. The Factory in Kampung Baru provides jobs for the majority of the local residents hence Ali is now unsure and is in a dilemma.
 - (a) What would be the decision if it is decided from a Utilitarian point of view?

(16 marks)
 - (b) Analyse the weakness of Utilitarian Theory.

(9 marks)

3. Ali is the Managing Director of ABC Bhd which is a company trading in selling pharmaceutical products. Recently the Malaysian Ministry of Health had rejected ABC's company new drug called 'Lexopam' which is used to cure headaches. As the drug represented a major portion of ABC Bhd investments, the company's stock took a sharp dive resulting in almost 80% financial dire for the company. Many investors were hurt by the drop, but Ali and a few other directors, oddly enough, were not among them. As a matter of fact it was disclosed that a few weeks before the announcement by the Ministry of Health pertaining to rejection of 'Lexopam', Ali and another director had sold almost 60% of their shares in ABC Bhd to an undisclosed source.
- (a) With reference to the above mentioned scenario, discuss what is Insider Trading? (5 marks)
- (b) Analyse the critics and the defenders for Insider Trading. (15 marks)
- (c) Discuss whether Ali's conduct constitutes as Insider Trading. (5 marks)
4. Though in the case of *MacPherson v Buick Motor Car* (1916) expanded the liability of manufacturers for causing defective products, the injured consumer still bears a heavy burden in proving that the manufacturer had been negligent.
- Based on the abovementioned statement, discuss the followings:
- (a) Discuss with relevant case laws the strict liability product principle. (20 marks)
- (b) Examine the objections towards the principle of strict liability product. (5 marks)

Section B: (25 marks)

Instruction: Answer any **ONE (1)** question in the answer booklet provided.

1. Is whistleblowing ethical? Discuss this statement with reference to egoism theory and Kantian ethics. (25 marks)
2. Robert Nozick is an influential libertarian scholar who had propagated 'The Entitlement Theory'. Critically discuss the entitlement Theory and distinguish it with John Rawls's Theory of Justice. (25 marks)

~ The End ~

