

FINAL
Examination Paper

(COVER PAGE)

Session : **AUGUST 2019**

Programme : Diploma in Business (DIB)

Course : **LAW2103: Business Ethics**

Date of Examination : December 13, 2019 (Friday)

Time : 5:00pm – 7:00pm 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) : **Vasudevan Arumugam**, Gary Solibun, Kumaran and
Nurnazida

Moderator : Dr Chan Wai Meng

This paper consists of 4 printed pages, including the cover page

DIPLOMA IN BUSINESS PROGRAMME (DIB)
LAW 2103: BUSINESS ETHICS
FINAL EXAMINATION: AUGUST 2019 SESSION

Instruction: This paper consists of **SIX (6)** questions. Answer any **THREE (3)** questions in **SECTION A** and **ONE (1)** question in **SECTION B** in the answer booklet provided.

SECTION A: Answer any **THREE (3)** questions in the answer booklet provided. **(75 marks)**

Question 1

- (a) Explain **FIVE (5)** conditions under which whistleblowing might be justified. (15 marks)
- (b) One of the approaches used to describe business ethics is through the discussion of the legality, illegality, and justice of a decision or action. Briefly discuss the four combinations of legality and justice used to explain ethical issues. (10 marks)

(Total: 25 marks)

Question 2

- (a) Define the term stakeholder and briefly discuss the issues the stakeholder theory addresses. (15 marks)
- (b) List **FIVE (5)** primary stakeholders of a business and explain through examples their relations with an organization. (10 marks)

(Total: 25 marks)

Question 3

- (a) Describe Three (3) applications of Aristotle's Virtue Ethics in a business environment. Provide examples to support your answers. (9 marks)
- (b) Describe the key principles of Rawls's Theory of Justice. (16 marks)

(Total: 25 marks)

Question 4

- (a) Discuss the concept of the “artificial person” described in the concept of corporate moral agency. (9 marks)
- (b) Corporate Social Responsibility is often described by the concept of the “Narrow View” and the “Broad View”. Explain the position taken for corporations that are supportive of corporate social responsibility. Provide examples to support your answers. (16 marks)

(Total: 25 marks)**SECTION B****Instruction:** Answer any **ONE (1)** question in the answer booklet provided.**Question 5**

Rachel works as a Quality Assurance Engineer at a large electronics company. She is responsible for the final testing of her company’s servers manufactured by the company and is part of a team which approves the shipment of the new products to distributors.

Rachel’s company has a contract with another company which makes the chips which are incorporated into the servers. The business model for this product is to release a new generation server approximately every six months, meaning Rachel has a limited timeframe to conduct her Quality Control tests.

Because there is such a short amount of time between the release of each next new product, the Quality and Assurance department cannot perform every possible test on the servers to ensure they are defect free. Rachel will not ship a product if there is any possibility that the server could malfunction and cause physical harm to the customer. However, she will ship a product that has a higher likelihood of failure resulting in data loss for the customer, because she knows that if she doesn't, her company's competitor will.

Required.

- (a) Identify and elaborate the ethical dilemma faced by Rachel in the case above. (5 marks)
- (b) Discuss the decision taken by Rachel to ship out the product based on the following ethical theories:
- (i) Egoist. (5 marks)
 - (ii) Utilitarian. (5 marks)
 - (iii) Kantian. (5 marks)
 - (iv) Prima facie. (5 marks)

(Total: 25 marks)

Question 6

Kirk was a bright individual who was being groomed for the Controller's position in a medium-sized manufacturing firm. After his first year as Assistant Controller, the officers of the firm were starting to include him in major company functions. For instance, today he was attending the monthly financial statement summary given at a prestigious consulting firm. During the meeting, Kirk was intrigued at how all the financial data he had been accumulating was transformed by the consultant into revealing charts and graphs. Kirk was generally optimistic about the session and the company's future until the consultant started talking about the new manufacturing plant the company was adding to the current location and the costs per unit of the chemically plated products it produced.

At that time, Bob (the President) and John (the chemical engineer) started talking about waste treatment and disposal problems. John mentioned that the current waste facilities were not adequate to handle the waste products that would be created by the "ultramodern" new plant in a manner that would meet the industry's fairly high standards, although they could still comply with federal standards.

Kirk's boss, Henry, noted that the estimated cost per unit would be increased if the waste treatment facilities were upgraded according to recent industry standards. While industry standards were presently more stringent than federal regulations, environmentalists were pressuring strongly for improving regulations at the federal level. Bob mentioned that since their closest competitor did not have the waste treatment facilities that already existed at their firm, he was not in favour of any more expenditures in this area. Most managers at this meeting resoundingly agreed with Bob, and business continued on to another topic. Kirk did not hear a word during the rest of the meeting.

He kept wondering how the company could possibly have such a casual attitude toward the environment. Yet he did not know if, how, or when he could share his opinion. Soon he started reflecting on whether this was the right firm for him.

Required:

- (a) Elaborate **TWO (2)** key business responsibilities corporations need to play in terms of handling waste safely related to the case above. (10 marks)
- (b) Discuss **FIVE (5)** action Kirk could have taken to institutionalise ethical practices in his company. (15 marks)

(Total: 25 marks)

~The End~