

Chapter 1

The Foundation of Ethical Thought

Multiple Choice Questions

1. How is the price of a meal determined at a Panera Cares Café?
 - a. **customers decide how much to pay for their meal**
 - b. meal prices are determined based on the cost of meal preparations
 - c. café managers set the prices of the meals each day based on ingredient costs
 - d. top management at Panera set a standard price of meals for all café locations.
2. The average Panera Cares Café will generate revenues of _____ and profits of _____ per month.
 - a. \$10,000; \$300 to \$400
 - b. \$50,000; \$1,000 to \$5,000
 - c. **\$100,000; \$3,000 to \$4,000**
 - d. \$500,000; \$30,000 to \$35,000
3. _____ can be defined as the values which an individual uses to interpret whether any particular action or behavior is considered acceptable and appropriate.
 - a. **Ethics.**
 - b. Validity
 - c. Reliability
 - d. Commitment
4. _____ can be defined as the collective values of a business organization that can be used to evaluate whether the behaviors of the organization's collective members are considered acceptable and appropriate.
 - a. Validity
 - b. **Business Ethics**
 - c. Self-efficacy
 - d. Groupthink
5. Which of the following is not one of the three types of ethical examinations?
 - a. descriptive
 - b. **constructive**
 - c. analytical
 - d. normative
6. What percentage of the 1,700 executives from 43 countries surveyed by Ernest and Young stated they would be willing to make cash payments in the form of a bribe in order to obtain business from a customer?
 - a. 5%
 - b. **15%**

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- c. 25%
- d. 45%

7. _____ is the presentation of facts related to specific ethical actions of an individual or organization.

- a. Analytical Ethics
- b. **Descriptive Ethics**
- c. Normative Ethics
- d. Constructive Ethics

8. Which of the following is used when an observer wants to understand the cause of events that generated the ethical issue?

- a. Analytical Ethics
- b. **Descriptive Ethics**
- c. Normative Ethics
- d. Constructive Ethics

9. _____ is the process of understanding the reasons a course of action that may have an ethical impact took place.

- a. **Analytical Ethics**
- b. Descriptive Ethics
- c. Normative Ethics
- d. Constructive Ethics

10. From a legal standpoint, _____ would address the “motive” behind the actions instead of just being satisfied with a description of the actions.

- a. **analytical ethics**
- b. descriptive ethics
- c. normative ethics
- d. constructive ethics

11. _____ is a prescribed course of action that attempts to ensure that ethical behavior will be followed in the future.

- a. Analytical Ethics
- b. Descriptive Ethics
- c. **Normative Ethics**
- d. Constructive Ethics

12. _____ allows employees and managers to address potential ethical issues before they occur.

- a. Analytical Ethics
- b. Descriptive Ethics
- c. **Normative Ethics**
- d. Constructive Ethics

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13. Which of the following is not one of the three teleological frameworks?
- a. Ethical Egoism
 - b. Utilitarianism
 - c. **Kant's ethics**
 - d. Sidgwick's Dualism
14. The supporters of _____ argue that this framework is the only ethical mold that captures the essence of motivation within individuals.
- a. Utilitarianism
 - b. Sidgwick's Dualism
 - c. **Ethical Egoism**
 - d. Kant's Ethics
15. _____ is based on the principle of utility where each person's actions adds to the overall utility of the community impacted by his or her actions.
- a. **Utilitarianism**
 - b. Sidgwick's Dualism
 - c. Ethical Egoism
 - d. Kant's Ethics
16. Supporters of _____ state that this theory is the only one that captures the essence of benevolent behavior.
- a. **Utilitarianism**
 - b. Sidgwick's Dualism
 - c. Ethical Egoism
 - d. Kant's Ethics
17. _____ attempted to resolve the fundamental difference of whether the actions for one's self-benefit impact just the individual or others.
- a. Utilitarianism
 - b. **Sidgwick's Dualism**
 - c. Ethical Egoism
 - d. Kant's Ethics
18. Sidgwick's Dualism argues that _____ is necessary in an individual's actions.
- a. utilitarianism
 - b. **rational benevolence**
 - c. ethical egoism
 - d. Kent's ethics
19. Which of the following ethical frameworks focuses on the duty or obligation in determining whether the actions are wrong or right?
- a. teleological
 - b. Sidgwick's dualism

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- c. **deontological**
- d. ethical egoism

20. All of the following are Deontological Frameworks EXCEPT:

- a. **Ethical goism**
- b. Existentialism
- c. Contractarianism
- d. Kant's Ethics

21. _____ is based on the belief that all individuals agree to social contracts to be a member within a society?

- a. Intuitionism
- b. Existentialism
- c. **Contractarianism**
- d. Kant's Ethics

22. _____ is based on the underlying belief that the only person who can determine right and wrong is based on the free will of the person making the decision.

- a. Intuitionism
- b. **Existentialism**
- c. Contractarianism
- d. Kant's Ethics

23. Traditional examples of violations of the _____ principle include theft, misappropriation of funds, and wasting resources.

- a. reliability
- b. dignity
- c. **property**
- d. transparency

24. The _____ principle is based on the belief that it is the employee's responsibility to honor the commitments he or she has made to the firm.

- a. **reliability**
- b. responsiveness
- c. self-respect
- d. transparency

25. The _____ is the belief that employees have a responsibility to supply information when it is requested by various stakeholders.

- a. reliability
- b. **responsiveness**
- c. self-respect
- d. transparency

True/False Questions

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26. The values which an individual uses to interpret whether any particular action or behavior is considered legal or illegal is called ethics.

a. True

b. False

27. The collective values of a business organization that can be used to evaluate whether the behaviors of the organization's collective members are considered acceptable and appropriate is called business ethics.

a. **True**

b. False

28. Within the analytical ethics context, there is no interpretation of the facts or assumptions concerning why certain courses of action took place.

a. True

b. False

29. From a legal standpoint, analytical ethics would address the "motive" behind the actions instead of just being satisfied with a description of the actions.

a. True

b. False

30. The supporters of the ethical egoism theory would argue that businesses should focus solely on their own self-interests and maximize their level of profitability by developing a strong competitive advantage.

a. **True**

b. False

31. As opposed to deontological frameworks, which focuses on whether the results are favorable or not, teleological frameworks focus on the duty or obligation in determining whether the actions are right or wrong.

a. True

b. False

32. Contractarianism is based on the underlying belief that the only person who can determine right or wrong is based on the free will of the person making the decision.

a. True

b. False

33. Existentialism is based on the belief that all individuals agree to social contracts to be a member within a society.

a. True

b. False

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34. Kant's ethical view is considered a dualism because it attempts to bridge the gap between the existentialist and contractarian points of view.

- a. **True**
- b. False

35. Ethical egoism is represented in self-improvement, and utilitarianism is represented in beneficence and noninjury.

- a. **True**
- b. False

36. Existentialism is represented in fidelity and self-improvement and contractarianism are represented in fidelity and justice.

- a. **True**
- b. False

37. The traditional components of fiduciary duty include ensuring that there are no actual or potential conflicts of interest given the actions of the employee.

- a. **True**
- b. False

38. The transparency principle is based on the belief that every employee should conduct business in a truthful and open manner.

- a. **True**
- b. False

39. The property principle involves making affirmative efforts for those individuals who need help in their personal pursuits, and it also helps protect those individuals who are vulnerable to unethical actions.

- a. True
- b. **False**

40. The fiduciary principle is based on the belief that stakeholders who have a vested interest in the firm should be treated fairly.

- a. True
- b. **False**

Short Answer Questions

41. **In a short essay, list and discuss the three teleological frameworks.**

- a. Ethical Egoism – based on the belief that every individual should act in a way to promote him or herself if the net result will generate, on balance, positive rather than negative results.
- b. Utilitarianism – can be based on single acts of individuals (act utilitarianism) or on guiding behavior indirectly through an evaluation of ethical conduct via rules procedures (rule utilitarianism).

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- c. Sidgwick's Dualism – attempted to bridge the gap between the two competing frameworks of ethical egoism and utilitarianism. At the core of the argument is that both previous theories had elements of using cost-benefit analysis to help analyze the actions of individuals. Sidgwick's dualism attempted to resolve the fundamental difference of whether the actions for one's self-benefit impact just the individual or others.

42. In a short essay, list and discuss the three deontological frameworks.

- a. Existentialism – based on the underlying belief that the only person who can determine right and wrong is based on the free will of the person making the decisions.
- b. Contractarianism – also called social contract theory, is based on the belief that all individuals agree to social contracts to be a member within a society.
- c. Kant's Ethics – Kant argues that the free will to make decisions that were considered rational needed to be converted into a universal will. Kant's ethical view is considered a dualism because it attempts to bridge the gap between the existentialist and contractarian points of view.

43. In a short essay, list and discuss five of the seven guiding principles that W.D. Ross presented as the basis of how individuals develop a level of intuition that becomes incorporate in their decision-making process.

- a. Fidelity – an individual needs to keep explicit and implicit promises
- b. Reparation – an individual must act on repairing the consequences for previous wrongful acts
- c. Gratitude – an individual must be able to show gratitude for the kindnesses that others have given them
- d. Justice – an individual should try to see that any goods are fairly distributed
- e. Beneficence – an individual should focus on trying to improve the lives of others
- f. Self-improvement – an individual should improve oneself by focusing on virtue and intelligence
- g. Noninjury – an individual should not cause any harm to others

44. In a short essay, list and discuss five of the seven deadly sins described as one of the founding areas of guidance for those unsure about their ethical standing.

- a. Lust – defined as the trait of an individual who has obsessive and compulsive continuous thoughts of sexual desire
- b. Gluttony – defined as when an individual over indulges and over consumes anything good to the point that the good is wasted when it is consumed
- c. Greed – defined as an excessive desire by the individual to obtain wealth, status and power
- d. Sloth – can be defined as being lazy and indifferent about his or her own actions
- e. Wrath – defined as an uncontrollable level of anger or rage.
- f. Envy – relates to focusing on one's own self-interests in the desire to obtain qualities or possessions of another person

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- g. Pride – relates to being considered above or “superior” to another person

45. In a short essay, list and describe five or the eight major underlying principles in which ethical behavior can be interpreted and evaluated.

- a. Fiduciary Principle – the traditional components of fiduciary duty include ensuring that there are no actual or potential conflicts of interest given the actions of the employee. It also is implied that each employee will not put his or her self-interests above the interest of the firm
- b. Property Principle – based on the belief that every employee should respect property as well as the rights of the owners of the property
- c. Reliability Principle – based on the belief that it is the employee’s responsibility to honor commitments he or she has made to the firm
- d. Transparency Principle – based on the belief that every employee should conduct business in a truthful and open manner
- e. Dignity Principle – based on the belief that each employee needs to respect the dignity of all individuals
- f. Fairness Principle – based on the belief that stakeholders who have a vested interest in the firm should be treated fairly
- g. Citizenship Principle – based on the belief that every employee should act as a responsible citizen in the community
- h. Responsiveness Principle – based on the belief that employees have a responsibility to respond to requests for information about the operations from the various stakeholders