

CHAPTER 1: WHY ETHICS MATTER (ANSWER KEY)

The University of St. Francis

PHIL 330 – JUST ETHICS, CHAPTER 1

1. What is ethics?
 - a. ***Standards of Behavior for Professional and Personal Lives.***
 - b. Standards of Behavior for Business Only.
 - c. Someone who is Acting Empathetically (Understanding how Another Person Feels).
 - d. Setting Norms for Ways One Interacts only with Coworkers.

2. Why do businesses care about ethics?
 - a. To Gain Greater Wealth & Power.
 - b. To follow Fiduciary Duty (in other words, someone who manages money or property for someone else).
 - c. ***To Uphold Honorable Standards of Behavior.***
 - d. To Receive Status and Recognition.

3. Which of the following is the *best* description for what it means to be a professional of integrity?
 - a. Following the Investment Style of Warren Buffet.
 - b. Thinking Long Term when Investing.
 - c. ***Having an Ethical Mindset in Business.***
 - d. Ensuring Employee Happiness.

4. Which of these concepts relates to utilitarianism?
- a. **Consequences**
 - b. Actions
 - c. Character
 - d. Duty
5. Which of these concepts relates to utilitarianism?
- a. The Media
 - b. **Corporate Culture**
 - c. The Environment
 - d. Customers
6. According to Milton Friedman, a company's social responsibility consists solely of bettering the welfare of society.
- a. True
 - b. **False**
7. Family is generally a strong influence on our ethical standards.
- a. **True**
 - b. False
8. Which normative ethical theory supports the idea of holding multiple ethical standards?
- a. Deontology
 - b. Utilitarianism
 - c. Virtue Ethics
 - d. **None of These**

9. Adopting a Consistent Ethical Standard is _____.
- a. Not in a Manager's Best Interest.
 - b. *Selfless (Putting Others' Needs ahead of Yourself).***
 - c. In a Government's Best Interest.
 - d. Selfish (Putting Your Needs ahead of Others).
10. Which is a Characteristic of Successful Corporate Leaders?
- a. They will not take pride in their company unless it is profitable.
 - b. They are focused on short-term results.
 - c. *They treat customers fairly.***
 - d. They take a competitive, though not always fair, approach to business.

| KEY TERMS | |
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| Business Ethics | The conduct by which companies and their agents abide by the law and respect the rights of their stakeholders, particularly their customers, clients, employees, and the surrounding community and environment. |
| Compliance | The extent to which a company conducts its business operations in accordance with applicable regulation and statutes. |
| Corporate Culture | The shared beliefs, values, and behaviors that create the organizational context within which employees and managers interact. |
| Corporate Social Responsibility (Csr) | The practice in which a business views itself within a broader context, as a member of society with certain implicit social obligations and responsibility for its own effects on environmental and social well-being. |
| Deontology | A normative ethical theory suggesting that an ethical decision requires us to observe only the rights and duties we owe to others, and, in the context of business, act on the basis of a primary motive to do what is right by all stakeholders. |
| Ethical Relativism | A view that ethics depends entirely upon context. |
| Ethics | The standards of behavior to which we hold ourselves in our personal and professional lives. |
| Goodwill | The value of a business beyond its tangible assets, usually including its reputation, the value of its brand, the attitude of its workforce, and customer relations. |
| Integrity | The adherence to a code of moral values implying trustworthiness and incorruptibility because there is unity between what we say and what we do. |
| Long-Term Perspective | A broad view of profit maximization that recognizes the fact that the impact of a business decision may not manifest for a long time. |

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| Normative Ethical Theories | A group of philosophical theories that describe how people ought to behave on the basis of reason. |
| Shareholder | An individual or institution that owns stock or shares in a corporation, by definition a type of stakeholder; also called stockholder. |
| Short-Term Perspective | Focus on the goal of maximizing periodic (i.e., quarterly and annual) profits. |
| Social Contract | An implicit agreement among societal members to cooperate for social benefit; when applied specifically to a business, it suggests a company that responsibly gives back to the society that permits it to incorporate, benefiting the community at the same time that it enriches itself. |
| Stakeholders | Individuals and entities affected by a business's decisions, including customers, suppliers, investors, employees, the community, and the environment, among others. |
| Stockholder | An individual or institution that owns stock or shares in a corporation, by definition a type of stakeholder; also called shareholder. |
| Utilitarianism | A normative theory of ethics suggesting that an ethical act is the one whose consequences create the greatest good for the greatest number of people. |
| Virtue Theory | A normative theory that focuses on proper conduct guided by the training we received growing up. |