**Business Ethics PHIN 225**

Text: **Text:** **Understanding Business Ethics**By: Peter A. Stanwick and Sarah Stanwick

Homework: 2

This homework covers Chapters 4-6 of the text, as noted. There are 33 multiple choice questions total, each worth 3 points. Indicate the answer you think most correct.

**Chapter 4: *Corporate Governance and Corporate Compliance***

1. Corporate governance can be defined as:

a. The system used by firms to control the actions of their employees

b. The election process used to vote in a new Board of Director

c. The corporate compliance system used by the firm

d. The system used by firms to identify who the critical stakeholders are for the firm

2. The system that is used by firms to control and direct their operations and the operations of their employees is called:

a. Corporate Compliance

b. Corporate Governance

c. Corporate Control

d. Corporate Directive

3. Traditionally, the board of directors is responsible for representing the interests of:

a. stockholders

b. management

c. employees

d. stakeholders

4. The relationship between board of directors and stockholders is based on which theory?

a. management

b. subordinate

c. agency

d. investor

5. Agency theory relates to the board of directors because:

a. the board of directors is an “agent” of the stockholder

b. the board of directors requires advice from both internal and external agents

c. the board of directors must meet certain criteria established by consulting agents

d. the board of directors is responsible for determining external agents for the firm

6. Which board of directors committee is responsible for the decision to issue new stock?

a. executive

b. auditing

c. finance

d. equity

7. Which board of directors committee is responsible for the top level decisions of the firm?

a. executive

b. strategic

c. planning

d. comprehensive

8. Which board of directors committee is responsible for the appointment of new board members?

a. appointment

b. selection

c. nominating

d. placement

9. Which board of directors committee is responsible for the guidelines on how the board of directors should operate?

a. operating

b. corporate governance

c. corporate compliance

d. guiding

10. Which of the following is not a type of board of directors?

a. passive

b. proactive

c. intervening

d. operating

11. Which type of board of directors is considered a “rubber stamp” board?

a. passive

b. non-interest

c. neutral

d. un-motivating

**Chapter 5: Is It Just Me Or Is It Getting Hotter In Here?**

1. What is the tragedy of the commons?

a. common mistakes are made all the time pertaining to environmental issues

b. it is difficult to obtain a common commitment on any environmental issue

c. free unrestricted access to any resource will ultimately ruin the resource

d. common stakeholders do not always agree with the solution to an environmental issue

2. If the natural environment is considered a stakeholder, a stakeholder would be defined as:

a. any individual that has a vested interest in the firm

b. any individual that has a financial interest in the firm

c. any entity that has a vested interest in the firm

d. any special interest group that has a vested interest in the firm

3. Which of the following is a Generic Competitive Environmental Strategy?

a. Ecoeffectiveness

b. Ecoimprovement

c. Ecoefficiency

d. Ecoperformance

4. Which Competitive Environmental Strategy focuses on low cost competitive advantage and organizational process competitive focus?

a. Ecoefficiency

b. Beyond Compliance Leadership

c. Environmental Cost Leadership

d. Ecobranding

5. Which Competitive Environmental Strategy focuses on differentiation competitive advantage and organizational processes competitive focus?

a. Ecoefficiency

b. Beyond Compliance Leadership

c. Environmental Cost Leadership

d. Ecobranding

6. Which of the following was not recommended for a firm to implement from a voluntary environmental compliance perspective?

a. Publish an annual report

b. Implement a system to reduce toxic chemical use

c. Implement a system to reduce sustainable products

d. Ensure that the same environmental standards are consistent globally

7. In 2005, which company had the largest penalty ever levied by the EPA?

a. Exxon

b. Union Carbide

c. DuPont

d. General Electric

8. In 2005, what was the total fined levied on DuPont for hiding the dangers of one of its chemicals?

a. $5.5 million

b. $10.5 million

c. $14.5 million

d. $16.5 million

9. Which of the following is not a reason why Johnson & Johnson has adopted a policy on climate friendly energy?

a. reduce operating costs

b. helps meet legal obligations

c. improve the environment

d. enhance their competitive advantage

10. Which of the following is not an environmental initiative that could be generated by any employee within a firm?

a. policies for reuse and recycling

b. policies for hazardous substance reduction

c. policies for environmental training

d. policies for reduction of resources and energy use

11. Stanwick and Stanwick found that:

a. There was a positive relationship between a firm’s environmental disclosures and financial performance.

b. There was a negative relationship between a firm’s environmental disclosures and financial performance.

c. There was no significant relationship between a firm’s environmental disclosures and financial performance.

d. There was not enough data to determine the relationship between a firm’s environmental disclosures and financial performance.

**Chapter 6: Health-Care Ethics**

1. Which of the following is not an underlying value that should be followed by a health care professional?

a. beneficence

b. compassion

c. dignity

d. autonomy

2. Which underlying health-care value is based on the freedom for a patient to accept or refuse treatment?

a. Justice

b. Autonomy

c. Dignity

d. Truthfulness

3. Which underlying health-care value is based on the belief that decisions by the health-care workers are fair?

a. Justice

b. Fairness

c. Honesty

d. Autonomy

4. Which underlying health-care value is based on the belief that the patient should be aware of the benefits and risks of all treatments being offered?

a. Justice

b. Nonmalfeasance

c. Truthfulness

c. Dignity

5. Which underlying health-care value is based on the belief that every action taken by a health-care worker would not cause harm to the patient?

a. Justice

b. Beneficence

c. Nonmalfeasance

d. Honesty

6. Which of the following is not one of the principles of biomedical ethics?

a. Autonomy

b. Dignity

c. Justice

d. Beneficence

7. Which doctor-patient model describes when the patient and the doctor participate equally in all health-care decisions?

a. engineering model

b. priestly model

c. collegial model

d. contractual model

8. Which doctor-patient model describes when the doctor carries out the wishes of the patient?

a. engineering model

b. priestly model

c. collegial model

d. contractual model

9. The General Medical Council regulates doctors in which country?

a. Canada

b. United States

c. United Kingdom

d. Australia

10. Which President established the President’s Advisory Commission on Health Care?

a. Jimmy Carter

b. Gerald Ford

c. Bill Clinton

d. George H. Bush

11. ACHE stands for:

a. American Clinical Hospital Executives

b. American College of Healthcare Executives

c. American Continuous Health Execution

d. American Classroom of Health Education