**Business Ethics PHIN 225**

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

Homework: 3

This homework covers Chapters 7-9 of the text, as noted. There are 33 multiple choice questions total, each worth 3 points. Indicate the answer you think most correct.

**Chapter 7: Ethics and Information Technology**

1. What is the name of the Ritz Carlton program that collects information on its guests in “We Thought You Wanted The Extra Pillow”?

a. Ritzview

b. Hostlist

c. Mystique

d. Caritz

2. Which hotel is experimenting with using a microchip in the guest room cards to store personal information?

a. Marriott

b. Ritz Carlton

c. Hilton

d. Hyatt

3. What percentage of the respondents of an information technology survey stated they had to fire an employee due to the employee’s misuse of his/her corporate e-mail accounts?

a. 5 percent

b. 10 percent

c. 15 percent

d. 25 percent

4. Phenomenologists believe that:

a. doing well is based on the specific set of circumstances pertaining to that issue

b. decision makers should observe the behavior of individuals to conclude what is good and ethical behavior

c. decision makers need to gather information from multiple sources before a decision can be made

d. doing well can only be evaluated if it satisfies the needs of all the critical stakeholders.

5. Positivists believe that:

a. doing well is based on the specific set of circumstances pertaining to that issue

b. decision makers should observe the behavior of individuals to conclude what is good and ethical behavior

c. decision makers need to gather information from multiple sources before a decision can be made

d. doing good can only be evaluated if it satisfies the needs of all the critical stakeholders

6. Collective rule-based ethics corresponds with:

a. ethical egoism

b. utilitarianism

c. Kant’s ethics

d. Sidgwick’s dualism

7. Collective consequentialist corresponds with the philosophy of:

a. Plato

b Socrates

c. Aristotle

d. Thomas Hobbes

8. Individual consequentialist corresponds with the philosophy of:

a. Adam Smith

b. Jeremy Bentham

c. John Stuart Mill

d. John Locke

9. What is information technology related “cookie”?

a. Allows employers to monitor e-mail activity

b. Allows employers to monitor Internet activity

c. Allows a company’s website to gather information about their customers

d. The nickname of the centrally controlled computer server

10. Which government act or agency was used to file a compliant against Eli Lilly when they failed to protect the privacy of the customer’s data?

a. Electronic Communications Privacy Act

b. Electronic Customer Protection Act

c. Federal Trade Commission

d. Securities and Exchange Commission

11. What does the WIPO do?

a. protect the copyrights of intellectual property worldwide

b. protects customers from receiving fraudulent goods and services

c. protects customers from having their information stolen from the Internet

d. protects customers from illegal release of personal information from a company

12. What Act was passed by U.S. Congress to protect copyrights of intellectual property?

a. Electronic Commerce Protection Act

b. Digital Millennium Copyright Act

c. Global Intellectual Rights Act

d. Internet Property Control Act

**Chapter 8: Strategic Planning and Corporate Culture**

1. Which of the following questions is not asked when deciding on how to resolve an ethical issue?

a. Why is this bothering me?

b. Is it my responsibility

c. What will the estimated cost be?

d. What do others think?

2. Am I being true to myself? is also called the:

a. truthfulness test

b. honesty test

c. mirror test

d. reflective test

3. In Sweden, what percentage of corporations referred to their code of ethics during the strategic planning process?

a. 35 percent

b. 55 percent

c. 75 percent

d. 85 percent

4. In the Ethical Decision Tree model (Figure 8-1), what is the first step in the model?

a. Would it be ethical or not to take the action?

b. Does it maximize shareholder value?

c. Do our ethical standards support this action?

d. Is the proposed action legal?

5. In the Ethical Decision Tree model (Figure 8-1), what is the third step in the model?

a. Would it be ethical or not to take the action?

b. Does it maximize shareholder value?

c. Do our ethical standards support this action?

d. Is the proposed action legal?

6. In Hosmer’s Model of Trust, Commitment, and Effort (Figure 8-2), which of the following is not a question asked in the model?

a. What is duty?

b. What is truth?

c. What is right?

d. What is integrity?

7. In Hosmer’s Model of Trust, Commitment, and Effort (Figure 8-2), which of the following is not a type of model issue?

a. moral problems

b. moral standards

c. moral courage

d. moral reasoning

8. In the Typology of Ethical Crises Categories (Table 8-2), copyright infringement would be considered:

a. Internal-Normal

b. External-Normal

c. Internal-Abnormal

d. External-Abnormal

9. In the Typology of Ethical Crises Categories (Table 8-2), industrial espionage would be considered:

a. Internal-Normal

b. External-Normal

c. Internal-Abnormal

d. External-Abnormal

10. In the Typology of Ethical Crises Categories (Table 8-2), product recall would be considered:

a. Internal-Normal

b. External-Normal

c. Internal-Abnormal

d. External-Abnormal

**Chapter 9: Ethics and Financial Reporting**

1. The deviation from the traditional methods used to interpret an accounting rule or standard is called:

a. Aggressive accounting

b. Creative Accounting

c. Interpretive Accounting

d. Deviate Accounting

2. Which of the following is not a primary objective of financial reporting?

a. makes financial decisions that relate to the firm

b. help the reader determine the level of cash flows

c. help the reader determine the strategic focus of the firm

d. help identify the economic resources and obligations to the firm

3. Based on Table 9-1, the ethical perspective of utilitarian beliefs would correspond with which accounting application

a. the gap between short-term and long-term benefits

b. the financial records need to be accurate for everyone’s use

c. each accounting decision must help the greatest number

d. each accounting report must be acceptable based on accounting standards.

4. Based on Table 9-1, the ethical perspective of personal virtues would correspond with which accounting application?

a. courage and integrity protect accounting’s credibility

b. each accountant must be able to be comfortable with the number presented in the statements

c. the financial statements reflect the ethical beliefs of the firm

d. the financial statements are accurate and timely

5. If an auditor has a financial interest in the firm, it would correspond to which type of conflict of interest?

a. Auditor-firm

b. Firm-Professional Standards

c. Shareholder-Management

d. Self Interest-Professional Standards

6. If management wanted, by any means, to make sure that a “clean audit” was presented in the firm’s annual report, it would correspond to which type of conflict of interest?

a. Auditor-firm

b. Firm-Professional Standards

c. Shareholder-Management

d. Self Interest-Professional Standards

7. If the CFO stated he needed to have a “clean audit” to keep his job, it would correspond to which type of conflict of interest?

a. Auditor-firm

b. Firm-Professional Standards

c. Shareholder-Management

d. Self Interest-Professional Standards

8. AICPA is the short form of:

a. American Inquirers of Certified Public Accountants

b. All Incidents of Creative Public Accountants

c. American Institute of Certified Public Accountants

d. American Institute of Chartered Public Accountants

9. The statement that provides information pertaining to the company’s cash receipts and payments is called:

a. Balance Sheet

b. Income Statement

c. Statement of Revenue

d. Statement of Cash Flows

10. The statement that provides a summary of the firm’s net income is called:

a. Balance Sheet

b. Income Statement

c. Statement of Revenue

d. Statement of Cash Flows

11. Smoothing the earnings could be an example of which ‘tricks of the trade’ method?

a. revenue recognition

b. earnings management

c. one-time charges

d. cookie jar accounting