



## Försättsblad Prov Original

Kurskod	Provkod	Tentamensdatum
F Ö 0 0 8 A	3 0 0 0	2 0 1 8 - 1 1 - 0 9
Kursnamn	Företagsekonomi AV, Effektivt ledarskap och företagsetik	
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**Mittuniversitetet**

MID SWEDEN UNIVERSITY

Department of Business, Economics and Law

Date: 2018-11-09

Code.....

Exam

COURSE: Effective leadership and business ethics (FÖ008A), 7,5 hp

DATE: 2018-11-09

TIME: 5 hours

### Instructions

Dictionary is allowed.

All answers must be reported in the attached exam booklet for each question. If the paper is not enough, you may attach additional sheets.

Please read the questions carefully before answering.

The exam consists of 14 questions:

- 10 "multiple choice questions" for a total of max 10 points,
- 2 "describe and explain questions" for 20 points and
- 2 "discussion questions" for 30 points. Remember that all concepts must be defined and described also in the "discussion questions".

Write your code number on all sheets.

The exam can give a maximum of 60 points.

To pass (E) requires at least 30 points.

Good luck!

Ulrika Sjödin

Maria Bogren

**Multiple choice questions (1p/fråga)**

Choose the correct alternative!

1. Which alternative is true about “business ethics”?
  - a. Businesses today are in general willingly implementing business ethics
  - b. Businesses are by law obliged to implement business ethics
  - c. Businesses are always driven by values, even if bad values.
  
2. What is the relationship between Law and Ethics?
  - a. Ethics is strictly formulated in writing
  - b. Legal issues can be the opposite of ethical issues
  - c. Ethics is never concerned with legal issues
  
3. Crane & Matten discusses who the key actors are when it comes to driving the ethical issues. What is true, according to the authors?
  - a. In Europe, the public is the key actor
  - b. In the USA, the government is the key actor
  - c. In the development countries, such as Africa, the CSO’s or NGO’s are the key actors
  
4. Utilitarianism is a western theory linked to ethics. What is the focus of this theory?
  - a. Rights
  - b. Duties
  - c. Collective welfare
  
5. Kant (1724 – 1804) created the “Ethics of duties” What is correct about this theory?
  - a. Right and wrong depends on unchangeable obligations in terms of a priori moral rules
  - b. Right and wrong depends on each situation.
  - c. Right and wrong depends on the consequences of one’s action



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6. Imagine a retailer introduces a program aimed at making sure employees smile and appear happy in front of customers. This is an example of which of the four kinds of *threat to privacy* that Simms (1994) suggests we might want to protect? Choose the best fit.
  - a. Physical privacy
  - b. Social privacy
  - c. Informational privacy
  - d. Psychological privacy
  
7. What responsibility are sellers often said to have, in relation to customers perceived to be *vulnerable* in some way?
  - a. An obligation to charge a fair price.
  - b. A duty to promote sustainable consumption.
  - c. A duty of care.
  - d. A duty to treat customers fairly.
  
8. Boycotts are probably the most widely used form of non-violent direct action. Friedman (1999) suggests a number of purposes that CSOs may have for boycotts: which of the following is **not** one of Friedman's suggestions?
  - a. Instrumental boycotts aim to force the target company to change a specific policy.
  - b. Catalytic boycotts seek to raise awareness about the company's actions and policies.
  - c. Promotional boycotts aim to shift business from one company to the sector's best performer as a means of encouraging weaker companies to change their policies.
  - d. Punitive boycotts seek to punish the target company for its actions, actively aiming to cause harm (usually by aiming for significant erosion of sales).
  
9. As western firms have become more familiar with traditions, such as the Chinese practice of *guanxi*, so they have increasingly tolerated *gift-giving practices* in such countries. What is the reason for this, according to Donaldson (1996)?
  - a. Western firms have been moving increasingly towards a position of ethical relativism.
  - b. It is a matter of respect for local traditions
  - c. Firms recognize that the only way to ensure a reasonable level of business activity is to engage in such practices.
  - d. Firms have reached the conclusion that the moral duty to shareholders outweighs the moral objections to bribery.

10. Which of the below is **not** a common argument advanced by industry in *support of 'self-regulation'*?
- a. Industry can be an early-stage contributor to the language and terms of the regulations.
  - b. Tax benefits.
  - c. Cost-Effectiveness.
  - d. Faster achievement of regulatory objectives.



**11. Describe and explain (10 p)**

Milton Friedman's arguments about the **role of business in society** represents a specific position, Crane & Matten argues differently, and represent another position. Describe and explain Friedman's position and arguments and Crane & Matten's position and counterarguments.



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**12. Describe and explain (10p)**

Describe what the third sector is, and give some examples of actors within that sector. Also, describe what kind of value the third sector can have in society.



**13. Discuss question (15 p)**

Crane & Matten argue that companies should take more responsibility for their effect on society, and also that they should take even more responsibility for society and its development. *Discuss* the **benefits** and **downsides** from the perspective of **individual** versus **collective moral development** and **welfare**. USE THEORIES from Crane & Matten to back up your points. Everyone of your argument must be based on theories in Crane and Matten.





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#### 14. Discuss question (15p)

This is the case:

You own a nursing home, and work there as a leader. It is always a struggle to get good employees, and the nursing home has now a shortage of staff. In your spare time, you are engaged in an NGO that is helping refugees to be socialized into society. Many of the refugees have a medical education and experience from work in the health sector. The refugees have not been granted residence permits and work permits in Sweden yet. However, from your point of view it will be good for them to work and to practice the Swedish language. So, you decide to employ two of the refugees. Since they do not have the formal permission to work, you decide to give them a lower salary and not pay social security fees for them (because they do not exist in the formal tax and security system in Sweden). The two refugees are happy to do something meaningful, and that they will have the possibility to send home some money to their relatives.

Will your action create problems - for the refugees, for your business, for yourself? Discuss the case with help of ethical theories, and from different perspectives. Remember to motivate your answer, and that *all argument must be based on theories from Crane & Matten which you must name* (15 p).



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