



Försättsblad Prov Original

Kurskod	Provkod	Tentamensdatum
F Ö 0 0 8 A	3 0 0 0	2 0 1 8 - 1 2 - 2 1
Kursnamn	Företagsekonomi AV, Effektivt ledarskap och företagsetik	
Provnamn	Tentamen	
Ort	Östersund	
Termin		
Ämne		



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: 2018-12-21

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!

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Multiple choice questions (1p/fråga)

Choose the correct alternative!

1. Crane & Matten discusses the so-called multinational's race to the bottom, what does this mean?
 - a. That multinational corporations seeks the countries with the lowest wages.
 - b. That multinational corporations seeks to do business with the countries that have the lowest GDP.
 - c. That multinational corporations target the markets with the greatest potential demand.

2. Ethics means the study of values, by this is meant:
 - a. Ethics is the same as morality
 - b. Ethics is the decisions about what is morally right or wrong
 - c. Ethics is the discussion that precedes morality

3. Crane & Matten argues that the Bureaucracy
 - a. Have a higher degree of morality due to its formality and lack of personal services and favors
 - b. Denies moral status due to its view of people as things
 - c. Increases employees' empathy due to its fair treatment of people

4. Colberg's Moral development model explain different moral stages in a human being's life. What is correct about the three levels?
 - a. Level one does what others expect, level two revolts, level three becomes free like a child
 - b. Level one is self-interested, level two does what others expect, level three has a more developed moral consciousness
 - c. Level one acts according to external rewards and punishment, level two has a more developed moral consciousness, level three cares more about others

5. What is John Rawls "Theory of Justice" requiring of today's global market economy?
 - a. The general human rights must be fulfilled before we should proceed
 - b. An arrangement is just even when the one who profits least is still better off than he would be without it
 - c. An arrangement is just when the greatest benefits goes to the least advantaged

6. Crane and Matten identify several issues as focus for debate in the case of companies expanding into new, international markets. Which one does not apply.
 - a. Erosion of local cultures and rise of cultural homogenization
 - b. The rise of neo-colonialism
 - c. Increasing predominance of consumerist ideologies
 - d. Deliberate removal of domestic rivals

7. You are the purchasing manager at ACME Ink Supplies, Inc. The sales representative from a new supplier gives you a large box of premium quality Belgian chocolates after your first test purchase, with a note thanking you for the business. You like chocolates, but are not sure you should take the gift. Crane and Matten have some suggestions about what you should consider when making up your mind. Which alternative do they **not** suggest?
 - a. How might your existing supplier perceive the gift?
 - b. What do you think is the intention of the sales representative?
 - c. Is the gift in proportion to the size of the purchase?
 - d. What impact would the gift have on you?

8. Which of the alternatives below is not a main strategy of business to business regulation?
 - a. Compliance
 - b. Boycotting
 - c. Development
 - d. Collaboration

9. There are numerous ethical issues around executive pay. Which of these do Crane and Matten identify as a reason that executive pay touches an ethical chord with the public in many countries?
 - a. The pay differentials between those at the top and those at the bottom appear to be highly inequitable.
 - b. It is difficult to design appropriate performance-related pay.
 - c. Shifts in remuneration show the influence of globalization on executive pay.
 - d. The influence of the board is limited, often failing to reflect shareholder (or other stakeholder) interests.

10. Which of the following do Crane and Matten not provide as an example of an issue associated with an employee's duty to respect their employer's property?
 - a. Working time
 - b. Unauthorized use of company resources for private purposes
 - c. Whistleblowing
 - d. Embezzlement

11. Describe and explain (10 p)

Crane & Matten discuss various *influences* on ethical decision making.

- a. Describe and explain shortly four individual influences (4p).
- b. Describe and explain shortly “moral intensity” factors and “moral framing” (6).

12. Describe and explain (10 p)

Crane and Matten, based on Kempson and Whyley (1999), describe five different forms of consumer exclusion. Then, reflect and explain if there are ethical dilemmas with any of these kinds of exclusion. (10 p)



13. Discussion question (15p).

“Code of Ethics” is common in today’s companies.

A) Describe and explain what code of ethics **means**, i.e. describe some common codes and what theory they are often based on. Give 3 examples of some code of ethics. (5p)

B) Describe also what is **important** and when it comes to **implementing** “Code of ethics”. (5p).

C) Discuss possible **problems** with implementing, and which **situational** and which **individual** factors, based on theories in Crane & Matten ch 4, must be dealt with in order for “Code of Ethics” to be effective. (5p).



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14. Discussion question (15 p)

This is the case:

You are working as the director of a large hotel in Thailand. The hotel has owners from different countries, and your guests are mostly from the European countries. The employees are from several countries, including Thailand. Many of the employees from Thailand work hard, and are dependent on their salary from the hotel in order to provide for their families. The winter season has just started and you have some new employees from Sweden who has started to work at the hotel. One day one of the employees from Sweden informs you that she has seen that some of her colleagues get extra "tip" in order to "look another way" when older men bring younger boys or girls to the hotel room. She is very upset about this, as she thinks that there is a sexual exploitation going on at the hotel.

Discuss the case with help of ethical theories, and from different perspectives. In the end, describe how you as director will handle the situation. Remember to motivate your answer, and that all arguments must be based on theories from Crane & Matten which you must name. (15 p).



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