



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **DCS3301 Business Ethics and Corporate Citizenship**  
 Trimester & Year : January – April 2018  
 Lecturer/Examiner : Dr Antoon De Rycker  
 Duration : 2 Hours

#### INSTRUCTIONS TO CANDIDATES

1. This question paper consists of two (2) parts:  
**PART A (60 marks)** : Ten (10) short-answer questions. Answer ALL questions in the booklet provided.  
**PART B (40 marks)** : Two (2) cases for analysis. Write your case analyses in the booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**PART A : SHORT-ANSWER QUESTIONS (60 MARKS)**

**INSTRUCTION(S)** : This part consists of TEN (10) questions. Write your answers in the booklet provided.

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1. What is utilitarianism? (6 marks)
2. “Smart companies are [...] increasingly seizing the chance to take an ethical stance and to demonstrate responsibility while remaining understandably cautious of ethical positioning” (Gael McDonald, *Business Ethics*, 2015, p. 7).

Why do smart companies remain cautious of ethical positioning? (6 marks)

3. From a *psychological* perspective, an employee is more likely to become ethically aware and recognise the ethical nature of an issue or decision if **THREE (3)** conditions are met. What are these **THREE (3)** conditions? (3 marks x 2 = 6 marks)
4. (a) Name **THREE (3)** stages in a person’s moral development (Kohlberg, 1958). (3 marks)  
(b) For **ONE (1)** of these three stages, explain briefly and give an example from business. (3 marks)
5. How different are ethical standards in different cultures – really? Explain your answer. (6 marks)
6. The key components of an ethical corporate culture can be considered in terms of four tiers. Name those **FOUR (4)** tiers and put them in the right order. (6 marks)
7. What do the following have in common? (6 marks)
  - (a) reflects the culture of the organisation
  - (b) clearly articulates the core values of the organisation
  - (c) is fully supported by the leadership team
  - (d) makes the responsibilities of staff and the organisation clear to all
8. How to blow the whistle?

Blowing the whistle can be seen as a process that consists in (a) \_\_\_\_\_ steps. If there is a serious ethical issue and you know for a fact a law or company policy is (about to be) violated, you will first approach your immediate manager (provided your manager is not involved in the problem). Next, it is a good idea to discuss the issue with your (b) \_\_\_\_\_. Thirdly, if you do not get much of a response from your manager, take it to the next level. If that does not give any satisfaction, your fourth course of action would be to contact your company’s ethics officer or (c) \_\_\_\_\_. Again, if they do not take it seriously or refuse to look into it, you may consider going outside your (d) \_\_\_\_\_ of command. If that fails to produce satisfactory results (the problem persists), you may want to go outside of the company, for example, by contacting the (e) \_\_\_\_\_. Finally, if all this fails, you may have no alternative but to (f) \_\_\_\_\_ the company.

Supply the missing words. (1 mark x 6 = 6 marks)

9. Managers may not always realise that their use of goals, rewards and discipline has an influence on their staff's ethical behaviour. How can a manager promote ethical business behaviour, using goals, rewards and discipline? Name **ONE (1)** method, briefly explain and illustrate. (2 marks x 3 = 6 marks)
10. Facebook has faced increasing criticism for its exploitation of human psychology and its power to polarise society. As *The Guardian*, among others, reported on 12 December 2017,

A former Facebook executive has said he feels "tremendous guilt" over his work on "tools that are ripping apart the social fabric of how society works", joining a growing chorus of critics of the social media giant. Chamath Palihapitiya, who was vice-president for user growth at Facebook before he left the company in 2011, said: "The short-term, dopamine-driven feedback loops that we have created are destroying how society works. No civil discourse, no cooperation, misinformation, mistruth."

We learnt that "a sense of personal responsibility is a prerequisite for moral action", also in business. Do you think CEO Mark Zuckerberg feels personally responsible for the negative effects of Facebook? Briefly justify your answer.

**END OF PART A**

**PART B : CASES (40 MARKS)**

**INSTRUCTION(S)** : Using the AAA model of ethical decision-making, analyse the following two cases. Write your analysis in the booklet provided.

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**CASE 1: The outside job (20 marks)**

Your employment contract as a waiter with Paradise Catering clearly states that no one is allowed to work for another catering company. However, your employer recognises that exceptions are possible so in case you have an opportunity to do some outside work, you can ask your direct superior for permission. A few days ago, your direct superior, Ben, the head waiter, told you to call in sick next Friday morning. Reason? He told you he needed you for an outside job (a private dinner for twelve guests) which he had accepted without clearing it first with his own superior (the executive chef/owner). Ben added that you would both be paid double the usual rate.

**CASE 2: Urgent family matter (20 marks)**

Mrs Pinheiro is a manager with Maybank. She recently found out that Patrick, a loan officer who reports to her, forged an approval signature on a personal loan that requires a signature from one other loan officer. When Mrs Pinheiro confronted Patrick with the forgery, he apologised and said that his wife had been very ill, and that the day he forged the signature, she was going into emergency surgery and he just didn't have the time to find another loan officer to co-sign the approval form. Patrick has been with the bank for 15 years and has a spotless record. The personal loan he authorised was RM5,200, just above the minimum amount of RM5,000. The maximum amount of a personal loan is RM100,000. Mrs Pinheiro learnt that the RM5,200 was borrowed by a long-term client and friend of hers to finance a *gotong royong* (painting houses) project in her neighbourhood.

**END OF EXAM PAPER**