



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

MAIN EXAMINATION

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AUGUST – DECEMBER 2017 TRIMESTER

CENTRE FOR SOCIAL JUSTICE AND ETHICS

REGULAR PROGRAMME

JPE 204: BUSINESS ETHICS

Date: DECEMBER 2017

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

Q1. Read the passage below and answer all questions

Sales at World Camera and Electronics

Sales personnel at world camera electronics are given a financial incentive to sell overstocked cameras, each week, the management identifies a particular camera that sales people should try to sell over other brands. When such cameras are sold, the sales person receives a 20 percent commission instead of the usual 10 percent.

Mathew Anderson, a college student, wishes to purchase a camera. After carefully researching different styles, he decides to buy a digital camera that he believes is ideal for student photographers. He finds the exact model that he desires at World Camera. The salesperson agrees that this model would be a fine purchase.

However, rather than simply sell this camera, the salesperson shows Mathew another camera. This one is far more expensive and a bit less practical for his needs. The salesperson has a financial incentive to sell this camera and convinces Mathew that it is indeed a better buy. While this model is widely recognized as having numerous advanced features, Mathew does not require these additions and is not likely in the future to need such sophisticated options. In the end, Mathew buys the more expensive camera believing that the salesperson's expertise is valuable in finding the "perfect fit" for his needs.

a) Identify ONE ethical issue here and briefly explain it in the context of three main ethical theories **(20 marks)**

- b) Is the fact that the salesperson will receive a financial bonus relevant to the moral assessment of her action? Explain **(5 marks)**
- c) In your view, should customers expect salespersons to be objective, with the customers' best interest in mind, or should customers accept the principle "buyer beware?" **(5 marks)**
- Q2. Explain the following: business ethics; normative ethics; ethical management; management of ethics **(20 marks)**
- Q3. Discuss the view that business ethics is an oxymoron **(20 marks)**
- Q4. Explain your understanding of corporate citizenship (Corporate Social Responsibility) and show why corporate firms should adopt it **(20 marks)**
- Q5. Discuss any topic covered we covered in this course that you found most interesting **(20 marks)**

END