



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

MAY – JULY 2018 TRIMESTER

FACULTY OF COMMERCE

MBA ODEL PROGRAMME

CMM 511: MANAGERIAL ETHICS

Date: JULY 2018

Duration: 3 Hours

INSTRUCTIONS: Answer Question ONE and any other TWO Questions

Q1. CASE STUDY - GOING DOWN THE DRAIN

I worked at a small business that used cars in their daily deliveries. To save money, the brothers who owned the business would conduct most of their own maintenance on the vehicles. As a result, they would periodically be involved in doing tune-ups, changing oil, and other such activities. One day, I noticed that the brothers would pour the old motor oil down the drain rather than take it for recycling. This troubled me because I knew how greatly old oil can add to the degradation of the environment. I brought up the subject with them and they laughed it off. They told me that, as a small business, they did not have the time or the money to be concerned with the “niceties” of life. We discussed it several times, and they made it clear they would not change their ways.

I didn't know what to do. I liked this job. The location was perfect and the people were nice (in every other way). I wanted to keep working there until I finished school. However, I felt that I shared in the responsibility for the damage caused by the oil if I knew it was happening and did nothing about it.

If I reported it to someone, I knew they'd know the report came from me. What could I do?

1. Is NIMBY involved here? If so, in what way?
2. Do you share in the responsibility for negative action when you know it is happening and say nothing?
3. What would you do if you were in that position?

Q2. Answer carefully the following ethical decision issues:

- a) Discuss the strength and limitation of the ethical theory or principle of right and utilitarianism. **(8 marks)**
- b) In your own words, describe what privacy means and what privacy protection companies should give employees. How has technology affected workplace privacy? Explain. **(6 marks)**
- c) Give an example of a major abuse of advertising from your own observations and experiences. How do you feel about this as a consumer? With which of the kinds of controversial advertising issues are you most concerned? Explain. **(6 marks)**

Q3. Regarding ethical issues in technology and the environment, answer the following:

- a) In general, what kind of ethical issues does technology in business raise? Explain. **(6 marks)**
- b) What is the future outlook for the natural environment? Who has responsibility for addressing environmental issues? How can ethics be applied in response to environmental issues? Explain. **(7 marks)**
- c) Do you think genetically modified foods (GMF) raise a legitimate safety hazard? Should government take more action to require safety testing on GMF? What about warning labels? Do you think warning labels would unfairly stigmatize GMFs and make consumers question their safety? Is this fair to the GMF industry? Discuss **(7 marks)**

Q4. Regarding accounting and financial management, answer the following:

- a) What are the common unethical practices observed in accounting and financial management? Explain. **(10 marks)**
- b) Explain the common rationalization made by accountants and financial managers when cooking the books for the benefit of the company or themselves. Use the principles of ethics to argue that overstretching the acceptable accounting standards might not be ethical. **(10 marks)**

Q5. Regarding business in global arena, answer the following:

- a) As a Multinational Corporation seeks to balance and honor the ethical standards of both the home and host countries, conflicts inevitably will

arise. What criteria do you think managers should consider as they try to decide whether to use home or host country ethical standards?

(10 marks)

- b) What are the major strategies companies might employ in improving global business ethics? What are the key steps research has shown are important to successful company anticorruption efforts? Discuss.

(10 marks)

END