

Essentials of Entrepreneurship and Small Business Management, 8e (Scarborough)
Chapter 2 Ethics and Social Responsibility: Doing the Right Thing

1) Ethical behavior is doing what is _____

- A) "right"
- B) "profitable"
- C) "credible"
- D) All of the above

Answer: A

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

2) The various groups and individuals who affect and are affected by a business are called _____.

- A) stockholders
- B) stakeholders
- C) owners
- D) managers

Answer: B

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

3) Which of the following is *not* a stakeholder for an organization?

- A) Creditors
- B) Employees
- C) Suppliers
- D) All of the above are stakeholders

Answer: D

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

4) _____ is a branch of philosophy that studies and creates theories about the basic nature of right and wrong, duty, obligation, and virtue.

- A) Semantics
- B) Ethics
- C) Religion
- D) History

Answer: B

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

5) _____ responsibility is how an organization responds to the needs of the many elements in society.

- A) Moral
- B) Investor
- C) Social
- D) Ethical

Answer: C

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

6) _____ consists of the fundamental moral values and behavioral standards that form the foundation for the people of an organization as they make decisions and interact with stakeholders.

- A) Business ethics
- B) Social obligation
- C) Mission
- D) Vision

Answer: A

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

7) There are _____ levels of ethical standards.

- A) 1
- B) 2
- C) 3
- D) 4

Answer: C

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

8) _____ is/are the narrowest level of ethical standards.

- A) The law
- B) Organizational policies and procedures
- C) Social responsibility
- D) The moral stance

Answer: A

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

9) The three parts of the triple bottom line are _____.

- A) processes, profits, and people
- B) profit, people, and planet
- C) processes, profit, and predominance
- D) profit, processes, and planet

Answer: B

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

10) According to the KPMG's Integrity Survey, _____ percent of workers say that they observed ethical lapses in their companies within the last year.

- A) 28
- B) 57
- C) 73
- D) 81

Answer: C

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

11) The _____ sets behavioral boundaries for decision makers.

- A) strategic plan
- B) strategy
- C) ethics
- D) financial plan

Answer: C

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

12) _____ sets behavioral boundaries for decision makers.

- A) Strategic plan
- B) Strategy
- C) Social responsibility
- D) Financial plan

Answer: C

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

13) Ethical behavior is doing what is "right."

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

14) Ethical behavior starts with society.

Answer: FALSE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

15) Acting with integrity means that entrepreneurs do what is right no matter what the circumstances.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

16) Management is an example of a stakeholder.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

17) Ethics and social responsibility simply set behavioral boundaries for decision makers.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

18) Social responsibility is a branch of philosophy that studies and creates theories about the basic nature of right and wrong, duty, obligation, and virtue.

Answer: FALSE

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

19) Business ethics is a sensitive and highly complex issue, but it is not a new one.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

20) The law is the narrowest level of ethical standards.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

21) Actions that are legal, however, may not be ethical.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

22) Organizational policies and procedures include a broader definition of ethical standards that go beyond what is defined by the law.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

23) Employees' moral stance is the broadest and most fundamental definition of ethical standards.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

24) A strong determinant of moral behavior is training.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

25) A company's culture can serve either to support or undermine its employees' concepts of what constitutes ethical behavior.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

26) Companies really are not ethical or unethical; individuals are.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

27) Immoral managers purposely violate law and ethical standards.

Answer: FALSE

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

28) Immoral management is the polar opposite of ethical management.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

29) Amoral managers see the law as a minimum standard for ethical behavior.

Answer: FALSE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

30) Ethical behavior has no impact on a company's bottom line.

Answer: FALSE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

31) Entrepreneurs build the foundation for ethical decision making by understanding how their personal values come to life in business situations.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

32) The triple bottom line covers "profits, products, and planet."

Answer: FALSE

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

33) Every business influences and is influenced by a multitude of stakeholders.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

34) In general, stakeholders have consistent demands.

Answer: FALSE

Diff: 2

AACSB: Written and Oral Communication

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

35) Who are an organization's stakeholders and why are they important?

Answer: An organization's stakeholders are the various groups and individuals who affect and are affected by a business. Examples include employees, suppliers, customers, and investors. Stakeholders' interest often conflict which is why they are important to an organization. These conflicts force entrepreneurs to identify their stakeholders and to consider the ways in which entrepreneurs will deal with them.

When making decisions, entrepreneurs often must balance the needs and demands of a company's stakeholders. They should do this, knowing that whatever the final decision is, not all groups will be satisfied.

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

36) What is ethics and how is it different from social responsibility?

Answer: Ethics is a branch of philosophy that studies and creates theories about the basic nature of right and wrong, duty, obligation, and virtue. Ethical behavior is doing what is "right" as opposed to what is "wrong." On the other hand, social responsibility involves how an organization responds to the needs of the many elements in society, including shareholders, lenders, employees, consumers, governmental agencies, and the environment. While both ethics and social responsibility set behavioral boundaries for decision makers, social responsibility refers to an organization's obligations to behave in ways that benefit all of society, in return to being allowed to operate.

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

37) Describe briefly the three levels of ethical standards.

Answer: The three levels of ethical standards are:

- The law: Laws define for society as a whole actions that are permissible and those that are not. The law is the narrowest level of ethical standards.
- Organizational policies and procedures. These serve as specific guidelines for people as they make daily decisions. Policies and procedures include a broader definition of ethical standards that go beyond what is defined by law.
- The moral stance. This is what employees take when they encounter a situation that is not governed by levels 1 and 2. It is the broadest and most fundamental definition of ethical standards.

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

38) What is the difference between immoral and amoral management?

Answer: The driving force behind immoral management is greed. Immoral managers are motivated by selfish reasons such as their own gains or those of the company. Immoral managers do what they can to circumvent law or moral standards.

In contrast, amoral managers do not purposely violate law or ethical standards. Instead, amoral managers neglect to consider the impact their decisions have on others; they use free-rein decision making without reference to ethical standards.

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

39) What are the steps in establishing an ethical framework?

Answer: The five steps in establishing an ethical framework are:

- Identify the personal moral and ethical principles that shape all business decisions.
- Recognize the ethical dimensions involved in the dilemma or decision.
- Identify the key stakeholders involved and determine how the decision will affect them.
- Generate alternative choices and distinguish between ethical and unethical responses.
- Choose the "best" ethical response and implement it.

Diff: 2

AACSB: Written and Oral Communication

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

Mini-Case 2-1: Doing "good" but not doing the "right" thing

Ed and Marci Buchanan are spouses and partners in a business called "Flags Unlimited." They made and sold a variety of national flags in various shapes. About 40 percent of their total revenues came from a single chain retailer, MegaMart USA that owned 798 stores throughout the United States. When Ed and Daisy started their company, their son's classmate's father was a senior buyer at MegaMart USA. The buyer, Arturo Higuain, encouraged Ed and Daisy to submit a bid to MegaMart USA and he helped the couple establish the relationship that led to subsequent recurring sales at the retailer. Higuain's wife, Lupe was the head of the school's PTA and in charge for fund raising. Without Arturo's asking, the Buchanans started contributing significant sums of money to the PTA. Arturo never discouraged them from contributing. In a cost cutting move, Arturo was laid off from MegaMart USA and in his place, Cindy Carmichael became the buyer who interacted with the Buchanans. Cindy hinted to the Buchanans that there were other vendors willing to supply flags at a lower price than the Buchanans but that if they would contribute to the rebuilding of her (Cindy's) community's softball park, they would continue to sell their product at MegaMart USA.

40) Did the Buchanans act ethically in contributing to the school's PTA?

Answer: As this mini case indicates, there are many instances where it is hard to say clearly whether a particular situation involved an ethical violation. On the one hand, the Buchanans contributed to the PTA that was headed by the wife of MegaMart's buyer. But Arturo did not seek it and make it a quid pro quo situation — "If you do this, I will do this in return." One could argue that by not discouraging it, Arturo made it clear implicitly that this has helped the Buchanans do business with MegaMart USA. The key question is, does this pass the tests of ethical behavior (i.e., the golden rule test, or the television test, or the family test)?

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

41) If the Buchanans agree to pay for the community park in exchange for business from Cindy, would they have acted ethically?

Answer: Cindy has hinted that she expected reciprocity. In exchange for donation to build the park, she was willing to continue to do business with Ed and Daisy even when there were cheaper alternatives for MegaMart USA. This appears to be a clearer case of ethical violation (from both sides) than the PTA donation because here there is a connection.

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

42) Contributing to a PTA and donating to build a community park are civic actions. Could they not be considered good actions because they indicate social responsibility?

Answer: Because business is allowed to operate in society, it has an obligation to behave in ways that benefit all of society. Clearly, a business contributing to the PTA or to build a community softball park is an example of meeting social responsibility needs. What the Buchanans are doing is creditable IF their actions are not connected to their business relationship with MegaMart USA. While their actions may be socially responsible, what Ed and Daisy Buchanan are doing may not be ethical.

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-1 Define business ethics and describe the three levels of ethical standards.

43) In a recent survey, _____ percent of consumers say that given the opportunity, they would buy products with a social and/or environmental benefit.

A) 92

B) 82

C) 72

D) 62

Answer: A

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-10 Describe business's responsibility to the community.

44) In a recent survey, 92 percent of consumers say that given the opportunity, they would buy products with a social and/or environmental benefit.

Answer: TRUE

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-10 Describe business's responsibility to the community.

45) _____ may be the result of failing to realize that an ethical dilemma exists, or it may arise from a variety of mental defense mechanisms.

A) Dishonesty

B) Criminal behavior

C) Irresponsibility

D) Moral blindness

Answer: D

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

46) The _____ merely establishes the minimum standard of behavior.

- A) mission
- B) law
- C) strategic plan
- D) financial plan

Answer: B

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

47) The _____ is the narrowest level of ethical standards.

- A) mission
- B) law
- C) strategic plan
- D) financial plan

Answer: B

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

48) Actions that are legal, however, may not be _____.

- A) ethical
- B) complex
- C) profitable
- D) doable

Answer: A

Diff: 2

AACSB: Reflective Thinking

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

49) A strong determinant of moral behavior is _____.

- A) profitability
- B) financial success
- C) training
- D) short-term success

Answer: C

Diff: 3

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

50) Companies really are not ethical or unethical; _____ are.

- A) goals
- B) strategies
- C) individuals
- D) departments

Answer: C

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

51) The driving force behind immoral management is _____.

- A) the law
- B) culture
- C) greed
- D) education

Answer: C

Diff: 2

AACSB: Reflective Thinking

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

52) Ethical decisions are individual decisions.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

53) Studies show that companies with strong ethical cultures experience fewer ethical violations than those with weak ethical cultures.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

54) Practices that are illegal in one country may be perfectly acceptable, even expected, in another.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-2 Determine who is responsible for ethical behavior and why ethical lapses occur.

55) According to the _____, one should "choose the option that offers the greatest good for the greatest number of people."

- A) television test
- B) utilitarian principle
- C) family test
- D) golden rule

Answer: B

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

56) According to the _____, one should "treat other people the way you would like them to treat you."

- A) television test
- B) utilitarian principle
- C) family test
- D) golden rule

Answer: D

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

57) _____ is a statement that defines the values underlying the entire company and its ethical responsibilities to its stakeholders.

- A) Company credo
- B) Company annual report
- C) Company vision
- D) Company strategic plan

Answer: A

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

58) _____ is a written statement of the standards of behavior and ethical principles a company expects from its employees.

- A) Company credo
- B) Company annual report
- C) Company vision
- D) Code of ethics

Answer: D

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

59) According to the utilitarian principle, one should choose the option that offers the greatest good for the greatest number of people.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

60) Kant's categorical imperative states that one should act in such a way that the action taken under the circumstances could be a universal law or rule of behavior.

Answer: TRUE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

61) The television test says you should treat other people the way you would like them to treat you.

Answer: FALSE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

62) A company credo offers general guidance in ethical issues.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

63) Workers believe the actions of those in charge more than their words.

Answer: TRUE

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

64) A company's strategic plan defines the values underlying the entire company and its ethical responsibilities to its stakeholders.

Answer: FALSE

Diff: 1

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

65) What are the ethical tests for judging behavior?

Answer: There are six ethical tests for judging behavior:

- According to the utilitarian principle, one should choose the option that offers the greatest good for the greatest number of people.
- Kant's categorical imperative states that one should act in such a way that the action taken under the circumstances could be a universal law or rule of behavior.
- According to the professional ethic test, one should take only those actions that a disinterested panel of professional colleagues would view as proper.
- The golden rule test says treat other people as you would like them to treat you.
- The television test asks the question: would you and your colleagues feel comfortable explaining your actions to a national television audience?
- The family test asks the question: would you be comfortable explaining to your children, your spouse, and your parents why you took this action?

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-3 Explain how to establish and maintain high ethical standards.

66) _____ entrepreneurs are finding the resources to tackle challenging problems such as habitat destruction, AIDS, hunger, and poverty.

- A) Serial
- B) Social
- C) Most
- D) All of the above

Answer: B

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-4 Explain the difference between social entrepreneurs and traditional entrepreneurs.

67) Social entrepreneurs start businesses so that they can create innovative solutions to society's most vexing problems.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-4 Explain the difference between social entrepreneurs and traditional entrepreneurs.

68) Which one of the following is *not* a simple way by which small businesses can be socially responsible?

- A) Encourage reinventing
- B) Support local fundraisers
- C) Join in community service
- D) Reduce energy usage

Answer: A

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-5 Define social responsibility.

69) Companies must recognize the independence of business and society.

Answer: FALSE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-5 Define social responsibility.

70) Social responsibility is important only for large corporations.

Answer: FALSE

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-5 Define social responsibility.

71) There is no connection between social responsibility and profitability.

Answer: FALSE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-5 Define social responsibility.

72) The three "R's" of socially responsible business are "reuse," "recycle," and "_____".

A) reenergize

B) reinvent

C) reduce

D) retrofit

Answer: C

Diff: 2

AACSB: Written and Oral Communication

Learning Obj: 2-6 Understand the nature of business's responsibility to the environment.

73) Socially responsible business owners focus on the three Rs: reduce, reengineer, and recycle.

Answer: FALSE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-6 Understand the nature of business's responsibility to the environment.

74) In 2020, members of _____ different generations will be working side by side in the United States.

A) 2

B) 3

C) 4

D) 5

Answer: D

Diff: 2

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

75) The United States is moving toward a "minority _____."

- A) tsunami
- B) shortfall
- C) majority
- D) crevice

Answer: C

Diff: 1

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

76) By _____, the majority of the workforce in the United States will be a member of a minority.

- A) 2021
- B) 2039
- C) 2028
- D) 2019

Answer: B

Diff: 1

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

77) The _____ population is the fastest-growing sector in the United States.

- A) Asian
- B) African-American
- C) Hispanic
- D) Caucasian

Answer: C

Diff: 2

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

78) Which of the following is *not* something that a small business owner should do to manage a culturally diverse workforce successfully?

- A) Learn to recognize and correct other's biases and stereotypes.
- B) Avoid making invalid assumptions.
- C) Concentrate on communication.
- D) Continue to adjust your company to your workers.

Answer: A

Diff: 2

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

79) Currently, women make up _____ percent of the U.S. workforce.

- A) 31
- B) 46
- C) 28
- D) 40

Answer: B

Diff: 3

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

80) Currently, minority workers make up more than _____ percent of the workforce.

- A) 13
- B) 23
- C) 33
- D) 43

Answer: C

Diff: 3

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

81) _____ percent of all drug abusers are employed.

- A) Forty-six
- B) Fifty-six
- C) Sixty-six
- D) Seventy-six

Answer: C

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

82) _____ of all alcohol abusers are employed.

- A) Seventy-seven
- B) Sixty-seven
- C) Fifty-seven
- D) Forty-seven

Answer: A

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

83) Drug and alcohol abuse by employees results in reduced productivity that is estimated at _____ billion dollars per year.

- A) 262.8
- B) 114.7
- C) 76.9
- D) 15.8

Answer: A

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

84) _____ are company-provided benefits designed to help reduce workplace problems such as alcoholism, drug addiction, gambling habits, and other conflicts and to deal with them when they arise.

- A) Employee-assistance programs
- B) Compensation
- C) Healthcare benefits
- D) All of the above

Answer: A

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

85) Only _____ percent of small companies offer employee-assistance programs (EAPs).

- A) 7
- B) 18
- C) 21
- D) 37

Answer: C

Diff: 3

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

86) The most blatant and most potentially damaging form of _____ harassment is quid pro quo.

- A) organizational
- B) corporate
- C) sexual
- D) employer

Answer: C

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

87) In _____, a superior conditions the granting of a benefit such as a promotion or raise on the receipt of sexual favors from a subordinate.

- A) pro tem
- B) pro bono
- C) quid pro quo
- D) carpe diem

Answer: C

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

88) A _____ environment usually requires a pattern of offensive sexual behavior rather than a single, isolated remark or display.

- A) hostile
- B) benign
- C) supportive
- D) clandestine

Answer: A

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

89) Which of the following is **not** an example of what creates a hostile work environment?

- A) Dispensing assignments based on merit.
- B) Making sexual comments to other employees.
- C) Displaying sexually suggestive pictures or posters.
- D) All of the above

Answer: A

Diff: 2

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

90) _____ cannot monitor personal email accounts.

- A) Spouses
- B) Employers
- C) Trade associations
- D) Colleagues

Answer: B

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

91) One of the most important group of stakeholders that a business must satisfy is its _____.

- A) customers
- B) employees
- C) investors
- D) banks

Answer: A

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-7 Describe business's responsibility to employees.

92) Consumer rights are governed by the _____.

- A) company mission
- B) company vision
- C) Consumer Bill of Rights
- D) U.S. constitution

Answer: C

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

93) Few other stakeholders are as important to a business as its employees.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

94) Employees are at the heart of increases in productivity.

Answer: TRUE

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

95) The United States is moving toward a "minority majority."

Answer: TRUE

Diff: 1

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

96) By 2039, the majority of the workforce in the United States will be a member of a minority.

Answer: TRUE

Diff: 2

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

97) In 2020, members of three different generations will be working side by side in the United States.

Answer: FALSE

Diff: 2

AACSB: Diverse and Multicultural Work Environments

Learning Obj: 2-7 Describe business's responsibility to employees.

98) One of the best ways to identify your own cultural biases is to get exposure to people who are not like you.

Answer: TRUE

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

99) Alarmingly, 66 percent of all drug abusers and 77 percent of alcohol abusers are employed.

Answer: TRUE

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

100) The supervisor's job in detecting substance-abusing workers is to play "cop" or "therapist."

Answer: FALSE

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

101) Employee assistance programs (EAPs) are an effective weapon in the battle against workplace substance abuse.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

102) Sexual harassment is a violation of Title VII of the Civil Rights Act of 1964.

Answer: TRUE

Diff: 1

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

103) The most blatant and most potentially damaging form of sexual harassment is pro bono.

Answer: FALSE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-7 Describe business's responsibility to employees.

104) Which of the following is a consumer right per the Consumer Bill of Rights?

- A) Right to Sanity
- B) Right to Know
- C) Right to Profit
- D) Right to Return

Answer: B

Diff: 1

AACSB: Reflective Thinking

Learning Obj: 2-8 Explain business's responsibility to customers.

105) One of the rights given to consumers by the Consumer Bill of Rights is the right to safety.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-8 Explain business's responsibility to customers.

106) Earning a profit may be a company's _____ responsibility.

- A) first
- B) only
- C) singular
- D) last

Answer: A

Diff: 3

AACSB: Analytical Thinking

Learning Obj: 2-9 Discuss business's responsibility to investors.

107) Earning a profit may not be a company's _____ responsibility.

- A) first
- B) only
- C) singular
- D) last

Answer: B

Diff: 3

AACSB: Analytical Thinking

Learning Obj: 2-9 Discuss business's responsibility to investors.

108) Although earning a profit may be a company's first responsibility, it is not its only responsibility.

Answer: TRUE

Diff: 2

AACSB: Analytical Thinking

Learning Obj: 2-9 Discuss business's responsibility to investors.

109) Experts estimate that _____ percent of companies worldwide engage in some type of socially responsible activity.

A) 25

B) 50

C) 75

D) 80

Answer: D

Diff: 2

AACSB: Ethical Understanding and Reasoning

Learning Obj: 2-10 Describe business's responsibility to the community.