



MUEO

MOI UNIVERSITY

OFFICE OF THE DVC ACADEMIC AFFAIRS, RESEARCH AND EXTENSION

UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

FOURTH YEAR END OF SEMESTER EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

EXAM CODE: BBM 406

EXAM TITLE: BUSINESS VALUES AND ETHICS

DATE: 13TH APRIL, 2015

TIME: 9.00 A.M.– 12.00 NOON.

INSTRUCTION TO CANDIDATES

➤ SEE INSIDE

MAIN EXAMINATION

INSTRUCTIONS:-

- Answer Question **ONE** and any other **THREE** questions.
 - Question **ONE** carries **25 Marks**
 - Time allowed: **3 hours**
-

SECTION A (Answer all questions from this section)

Read the following passage and answer the questions that follow.

When Good Results are Bad Results

Professor Ballistico is scratching his head. Looking at the results of last month's series of experiments makes him feel a bit uneasy. He has been sitting in his office for hours now trying to analyse the spreadsheets from every possible angle- but without success. He even had an argument with his research assistant, accusing her of having prepared the results incorrectly- but she had been right all along. Not that Ballistico is particularly unhappy about his project. It is actually quite a successful piece of research looking at the various side effects of good additives in frozen food. The two-year project had already produced some very good publications; he has even been invited several times to give interviews on the television and in the press about the results.

However, this time round he has a strange feeling. The thing that is making him feel uneasy is that according to the results of the latest tests, two substances involved in the study, called 'longlife' and 'rotnever', appear to quite significantly increase the risk of human allergies for long time consumers of the additives. And however he turns and interprets the results, his assistant really seemed to have delivered solid work on the data analysis. Normally, such surprising results would be good news. Solid results of this kind would make for sensational presentations at the next conference of the World Food Scientist Federation. On top of that, 'longlife' and 'rotnever' are very common additives in the products of the large food multinational Foodcorp, which is the market leader in frozen food industry in his country. His results could really make big headlines. There is one little problem though; Professor Ballistico is director of the Foodcorp centre for Food Science at BigCity University.

Three years ago, the food company donated USD 2.3million to BigCity University in order to set up the research centre and to fund its activities. The company felt that as 'a good corporate citizen we should give something back to the society by funding academic research

for the benefit of future generations'. They also had signalled that they saw this as a continuous engagement over time ... and Ballistico is only too aware that the decision about the next USD 2million funding will be imminent three months from now. Professor Ballistico has a major dilemma: if he publishes his results, FoodCorp might get serious trouble. He also knows that this will be quite embarrassing at the next meeting with his sponsor, and it will most certainly influence the company's decision to further fund the centre. And he hardly dares to think of his next meeting with the University boss, the Vice Chancellor, who is always so proud of BigCity having such excellent ties to companies and scoring highest in the country in terms of its ability to secure external funding. Should he therefore just tell the FoodCorp privately about his results so that they can take appropriate action to deal with rotnever and longlife?

Questions

- (a) Explain the main ethical issues for Professor Ballistico here (5marks)
- (b) (i) What options are open to him? (3marks)
(ii) How would you assess the options provided in question (i) above? (2marks)
- (c) How should Ballistico proceed, and what can he realistically do to prevent similar problems arising in the future? (5marks)
- (d) What are the wider ethical concerns regarding corporate involvement in funding universities and other public institutions? (5marks)
- (e) In the light of this case, give a critical assessment of the potential as well as the limits of corporations stepping into roles often played by governments, such as the funding of higher education. (5marks)

SECTION B (Answer any three questions from this section)

- 2. The 2007 National Business Ethics Survey offers a projected list of three types of risks (faced by employees and companies) associated with different types of misconduct that can result in ethical dilemmas. Discuss the three categories of risks and in each case give examples. (15marks)
- 3. Kohlberg's three stages of moral development offer a guide for observing a person's level of moral maturity as he/she engages in different organizational transactions. Describe the three stages in detail. (15marks)
- 4. a. Majority of Corporations today take on social responsibilities in so far as doing so promotes its own self interest. Discuss the moral arguments for corporate social responsibilities. (10marks)
b. Describe the various employee rights at the work place. (5marks)

5. a. Whistle-blowing is ethical under five conditions. Discuss. (10marks)
- b. Discuss what code of ethics is and highlight the four main types of ethical codes. (5marks)
6. Highlight the five levels of business ethics and explain the reasons why ethics matters in business organizations. (15marks)