

MID-WESTERN UNIVERSITY
SCHOOL OF MANAGEMENT (MUSOM)
(An Autonomous Institution)
FINAL EXAMINATION: 2021
BACHELOR OF BUSINESS ADMINISTRATION (BBA)
SEMESTER -IV

Subject: Business Ethics
Full Marks: 100

Course Code: MGT 343
Time: 3 Hrs.

You are required to answer in your own words as far as applicable. The figures in the margin indicate the full marks.

Section – B: Short Answer Questions (8 × 5 = 40 Marks)

Answer any eight questions:

1. How are "right" and "wrong" conducts determined in the society? Provide examples. 3+2
2. Draw the chart showing various types of ethics and define each. 2+3
3. Describe at least five features of business ethics. 5
4. What are the uses of "Values" in an organization? 5
5. What are some ethical dilemmas you have really faced in your life? Explain.
6. If someone tells you an offensive joke, is it your responsibility to speak up about it? Give explanation. 5
7. What are the different elements of corporate compliance? Briefly describe each. 5
8. What role does "Ministry of commerce and supply" play for protecting the consumer's right? 5
9. Why should ownership and control of the organizational members be aligned?
10. What are the various challenges for maintaining good governance in Nepalese scenario? 5

Section – C: Long Answer Questions (3 × 10 = 30 Marks)

Answer any three question:

11. What is your understanding on the concept "Ethical Decision Making"? What are the various steps that need to be followed by a decision maker? Explain. 3+7
12. Values are the basic foundations of human beings' overall behavior. How are Values formulated and how it plays vital role in business? 10
13. Corporate compliance is emerging as a vital aspect of overall management and corporate governance process. Explain in detail with the help of various elements and functions of corporate compliance. 10
14. Foundations of corporate governance are independence, disclosure and transparency, accountability and self-control. Explain the statement in the light of importance of corporate governance. 10
15. Suppose you are appointed as a compliance officer of ABC Corporation. What would be your basic job responsibilities and how would you handle those responsibilities?

Section – D: Case Study (15 Marks)

16. Read the case given below and answer the questions that follows:

Firestone Tires and Rubber Company use Child Labor

As people around the world commemorate World Day against Child Labor on June 12, the Firestone Tire and Rubber Company recognized the day by continuing its 81-year tradition of exploiting workers in Liberia. Firestone has been operating a rubber plantation in Harbel, Liberia since 1926 where workers wake up early every morning to tap rubber trees in order to meet an unreasonably high production quota. By Firestone Natural Rubber CEO Dan Adomitis' own admission on CNN, it would

take a tapper over 21 hours every day to meet their quota, which is why workers are forced to bring their children and wives to work or their already low salaries will be halved. As part of the outdated production system, children carry heavy loads, come into close contact with toxic pesticides and often work for 12 hours a day. Workers live in shacks, most of which have not been renovated since the 1920s, without any running water, indoor latrines or electricity while managers live on huge land plots with all the modern amenities — including golf courses! As recently confirmed by the Liberian EPA, the company dumps toxic chemicals directly into the Farmington River which is used by the local community for fishing and bathing. As a result of the modern day slavery conditions facing workers, the company has been sued in US courts and was also bestowed with the Public Eye Award for Worst Global Corporation this past January.

In order to stand up for their internationally recognized rights, workers have been organizing to hold new union elections at the end of June so that they can finally be represented by a truly independent and democratic body. When the company management attempted to use legal roadblocks to stop the elections, the workers went on strike in the end of April. On Friday, April 27, police forces were brought in and workers were brutally attacked. Police officials fired tear gas into crowded settlements filled with children, women, the elderly and Firestone workers alike. Six workers were seriously injured and roughly 13 were arrested. The attack on workers' right to organize raises serious concerns about the neutrality of upcoming union elections.

Negotiations are also currently taking place between Firestone and the government over the terms of the concession area which Firestone controls. The previous concession agreement was signed under a transitional government and heavily favored Firestone. Now that Liberia has a democratic government - and the first woman leader in Africa - there is hope that the new concession agreement will produce greater benefits for the population that produces such immense wealth for Firestone. Unfortunately, reports from the negotiations raise serious concerns about whether or not Firestone is negotiating with the government in good faith.

US consumers should be shocked that the ubiquitous Firestone tires are produced under these exploitative labor conditions. Imagine children as young as 10 years old forced to carry 70 pounds barrels of latex, coming into direct contact with toxic pesticides. It is up to consumers to demand that Firestone advance workers' rights this World Day against Child Labor instead of rolling them back. With the concession agreement negotiations taking place and new union elections approaching quickly, the next few weeks present an historic opportunity for the people of Liberia to hold Firestone accountable. More broadly, Firestone in Liberia and exert their power over post-conflict countries during any negotiations. Here in the US, we need to send a strong message that companies like Firestone cannot violate human rights with impunity. That is why the Stop Firestone Coalition is currently planning actions leading up to July 26, Liberia's Independence Day. We invite readers to join us in these and the many other actions we have planned. Visit the Stop Firestone website and tell Firestone: 80 years of exploitation are enough!

Questions:

- a. What are the ethical issues involved in this case? What impact does each issue provide to the company? 5
- b. What could be possible steps that you would take as a compliance officer of the company? Will it be enough to minimize the problem faced by workers? 3+2
- c. If you were a social activist, what would be your approach for resolving the issue? 5