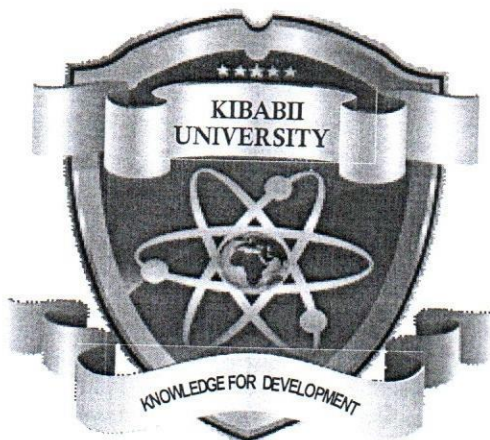


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCB 420
COURSE TITLE: BUSINESS ETHICS**

DATE: 01/02/2021

TIME: 11.00AM-1.00PM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes **ZERO** tolerance to examination cheating

Question 1 (Compulsory) and any other TWO (2) questions

QUESTION 1: (30 MARKS) - CASE STUDY

Taking a Third-Party Objective Observer Perspective. *Source; R. Edward Freeman. 1984. Strategic Management: A Stakeholder Approach. Boston: Pitman, 242.*

You are asked to assume the role of a chief executive officer (CEO) of a company to execute a stakeholder analysis. However, it is recommended that you take the role of "third-party objective observer" when doing a stakeholder analysis. Why? In this role, you will need to suspend your belief and value judgments in order to understand the strategies, motives, and actions of the different stakeholders. You may not agree with the local community or CEO whom you are studying. Therefore, the point is to be able to see all sides of an issue and then objectively evaluate the claims, actions, and outcomes of all the parties. Being more objective helps determine who acted responsibly, who won and who lost, and at what costs. Part of the learning process in this exercise is to see your own blind spots, values, beliefs, and passions toward certain issues and stakeholders. Doing an in-depth stakeholder analysis with a group enables others to see and comment on your reasoning.

Required:

- a. i. Who are your stakeholders currently? (3 marks)
- ii. Who are your potential stakeholders and their rights? (3 marks)
- iii. How does each stakeholder affect the organization? (3 marks)
- iv. How do you as a CEO affect each stakeholder? (1 mark)
- b. i. What assumptions does your current strategy make about each important stakeholder (at each level)? (5 marks)
- ii. What are the current "environmental variables" that affect you and your stakeholder's confidence in business? (5 marks)
- c. The survival of the company largely depends on the relationship with stakeholders and ethical policies. What benefits will the company get as a result of such an engagement? (10 marks)
- Q2 a. You are applying to a prestigious organization for an important, highly visible position. The application requires you to describe an ethical dilemma in your history and how you handled it. Describe the dilemma and your ethical position (10 marks)

- b. What is the ethical relativism? Explain by using at least one example. (10 marks)
- Q3 The CEO of a company you are working for has nominated you to represent him in giving a speech at an important community business association meeting. He has asked you to give a presentation called "Ethics Analysis using Hosmar Model".
- a. Give an OUTLINE of the managers decision check list in your presentation (10 marks)
- b. i. Organizations recognizes professionalism of their employees and embrace the Code of Business Conduct. What is a code of conduct? (2 marks)
- ii. How do predatory pricing occur in a market environment (8 marks)
- Q4 a. Business principles are fundamental core truths that form the pillar of any business success. Describe the key principles of good business practices. (10 marks)
- b. However, an ethical approach to business operations may have a number of potential problems. Discuss the potential problems likely to affect business organization. (10 marks)
- Q5 a. If you were the Business Ethics Development Manager at Kibabii University, how would you communicate your perspective on the importance of ethics to the employees, customers and other stakeholders of the University? (10 marks)
- b. i. What is Virtue ethical theory as used in business ethics? (2 marks)
- ii. Using two examples; how can Virtue ethical theory be explained when rating an unusual and irregular behaviour that is considered unethical? (8 marks)