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**SCHOOL OF BUSINESS AND ECONOMICS  
UNIVERSITY EXAMINATIONS  
SPECIAL / SUPPLEMENTARY EXAMINATIONS  
2020/2021 ACADEMIC YEAR  
FORTH YEAR SECOND SEMESTER  
FOR THE DEGREE OF BACHELOR OF COMMERCE**

**COURSE CODE:       BCB 420**

**COURSE TITLE:     BUSINESS ETHICS**

**DATE: 20/01/2022**

**TIME: 11.00AM – 1.00PM**

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**INSTRUCTIONS**

- Answer question ONE (1) (COMPULSORY) and any other TWO (2) questions

This Paper Consists of THREE (3) Printed Pages. Please Turn Over.



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

QUESTION 1: (30 MARKS)

**CASE STUDY: Taking a Third-party objectives 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 in the case study? (3 marks)
- ii. Who are the 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. As the CEO of the company what ethical financing issues are you likely to be confronted with? (10 marks)

Q 2 a. Explain briefly the benefits of good corporate governance (10 marks)

b. Discuss the importance of Business Ethics to an organization (10 marks)

Q3 a. Comment on ethical issues in Human Resources Management (10 marks)

b. In event and in your own thinking as an appointed Business Ethics Expert in one of the largest company in Kenya; do you believe that ethics is an important factor in business transactions today? (10 marks)

Q4 a. Identify FIVE reasons for using ethical reasoning in solving business situations in an organization (10 marks)

b. Principles of good business practices are the fundamental core truths that form the pillar of any subject of concern. Discuss FIVE principles of good business practices to an organization (10 marks)

Q5 a. Ethical theories are based on the previously explained ethical principles, critically examine two ethical theories (10 marks)

b. Discuss FIVE ethical dilemmas faced by a manager in an organization (10 marks)