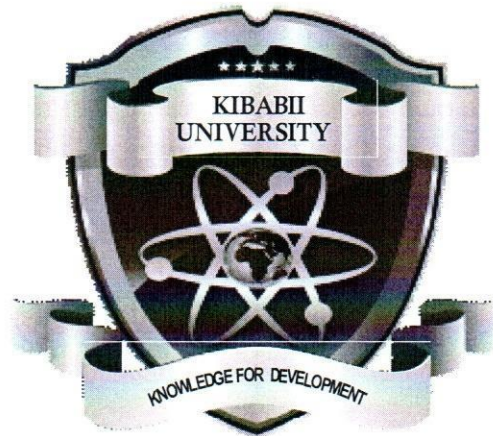


KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2021/2022 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF
COMMERCE**

COURSE CODE: BCM 453E

COURSE TITLE: MARKETING ETHICS

DATE: 01/09/2022

TIME: 2.00 – 4.00PM

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

CASE STUDY

Rafiki Ltd is a successful medium size company that supplies parts for electrical cooker and microwaves. During an interview by the press, the company's managing director Mr. Rogers Ronowas asked to express his view on social responsibility and how Rafiki Ltd reflected a socially responsible position. Mr. Rono began by explaining that the company had never carried out a social responsibility audit, he thought that the company was a good corporate citizen. We pay our employees well and provide many fringe benefits. We take a lot of precautions in the factory and no accidents have happened during the last decade except for a few minor incidents that only required first aid. Whenever we receive customers' complaints, we make sure that they are handled promptly. We charge a fair price for our products and services which are of higher quality than those of our competitors. We pay our bills when due and pay our taxes and other statutory obligations promptly as required by law.

Based on the above points, I believe we are a socially responsible company.

QUESTION ONE

- a) Explain whether you agree with the managing director that the company is acting in a socially responsible manner. (6 marks)
- b) Examine the major stakeholders of Rafiki Ltd. (10marks)
- c) Evaluate the business activities the company could undertake to improve its social responsibility position (14 marks)

QUESTION TWO

- a) Giving examples, discuss some of the ethical issues in pricing decisions by firms (10 marks)
- b) Product is anything that can be offered to satisfy a human need, discuss some of the ethical issues in product decisions from the time it is produced to the finished product (10 marks)

QUESTION THREE

Unfair activities are common in marketing. Explain your views with examples of Fast Moving Consumer Goods (FMCG) items (20 marks)

QUESTION FOUR

The management of Kibabii University is organizing a seminar for its senior staff on marketing ethics. Explain to the participants the following:

- a) The possible ways in which deception can occur while dealing with elements of the marketing mix. [14marks]
- b) Explain what it means to practice ethics in marketing. [6marks]

QUESTION FIVE

- a)
- (i) Freedom is an important ethical issue in marketing. Evaluate this statement (5 marks)
- (ii) Describe how the consumers freedom may be transgressed by marketing (5 marks)
- b) An organization has to behave ethically. Justify this statement (10 marks)