

ASSESSMENT FOR IN-CLASS USE

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Multiple Choice Questions

Difficulty: 1 = Easy; 2 = Medium; 3 = Challenging

Choose the BEST possible answer for each of the following.

1. In many cases, rules of business ethics can be determined by _____.
- A. applicable laws
 - B. company guidelines
 - C. economic requirements
 - D. rules of conduct that apply in everyday life

Answer: D

2. The economic character of business can be seen in its _____.
- A. trading characteristics
 - B. ethical dimensions
 - C. personal aspects
 - D. legal guidelines

Answer: A

3. Organization in business is characterized mainly by its _____.
- A. rules
 - B. hierarchy
 - C. profits
 - D. products

Answer: B

4. Decision making in business occurs at various distinctive _____.
- A. places
 - B. levels
 - C. objectives
 - D. profits

Answer: B

5. It is possible for there to be unethical actions that are not _____.
- A. illegal
 - B. wrong
 - C. avoidable
 - D. harmful

Answer: A

6. Economic reasoning describes how we _____.
- A. ought to reason
 - B. prioritize our desires
 - C. reason when pursuing our goals
 - D. would reason if we could have whatever we wanted

Answer: C

7. Adam Smith's economic theory is based on which of the following assumptions?
- A. People want to promote each others' interests.
 - B. Morality is not relevant to economic concerns.
 - C. Free markets will fix their own ethical problems.
 - D. People will behave rationally as they pursue their interests.

Answer: D

8. What fact does the "ultimatum bargaining game" demonstrate?
- A. It is often rational to price products below their market value.
 - B. Free markets will usually self-regulate.
 - C. Many people do not understand economics.
 - D. Many people would rather not trade than be treated unfairly.

Answer: D

9. The school of thought that says that law and ethics govern two different realms is wrong because _____.
- A. ethics applies to every field of life
 - B. anything that is legal is also ethical
 - C. anything that is illegal is also unethical
 - D. the law governs every aspect of life

Answer: A

10. It is not ethically sufficient to obey the law because _____.
- A. the law does not apply to business in general
 - B. ethical constraints sometimes require that the law be ignored
 - C. ethics goes beyond what can be legally codified
 - D. the law itself is stricter than ethics

Answer: C

Essay Questions

1. What is economic efficiency, and in what ways might the pursuit of economic efficiency be unethical?
2. Describe and explain an example of a business decision that would be unethical even though it is legal.
3. In what ways does it benefit businesses to pursue ethical choices beyond what they are legally required to do?