



**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**UNIVERSITY MAIN EXAMINATION  
2021/2022 ACADEMIC YEAR**

**SECOND YEAR SECOND SEMESTER EXAMINATIONS  
FOR THE DEGREE  
OF  
BACHELORS OF COMMERCE**

**COURSE CODE: BCB 207**

**COURSE TITLE: BUSINESS ETHICS**

**DATE: TUESDAY, 26<sup>TH</sup> APRIL 2022 TIME: 8:00 - 10:00am**

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**INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory  
Answer other TWO questions  
Do not write anything on the question paper

MMUST observes ZERO tolerance to examination cheating

## Answer Question One (Compulsory) and any other Two Questions

### QUESTION 1 (Compulsory)

#### STEVE JOBS AS AN INNOVATOR & VISIONARY ENTREPRENEUR

What He Believed In and His Innovation Strategy (Apple CEO 1997- 2011). Return to Apple in 1997 - Steve Jobs returned as interim CEO in September 1997, when Apple was struggling with falling revenues and losses amounting to US\$ 1.5Bn. Around 25 million customers feared the death of Apple and it was waging war with Microsoft over its copying of its features. Jobs negotiated with Gates to rescue Apple with US\$ 150 million investment in return for non-voting shares and with assurances of dropping lawsuit and office support to Mac. The deal was remarkable as Microsoft was rescuing its competitor and future nemesis. He actually returned, through Apple acquisition of his company NeXT in late 1996. Upon his return as interim CEO, Jobs terminated some of the projects to increase the profitability of Apple. By that time, he became permanent CEO in 2000 Apple was back in profits with 30% YoY growth in revenue.

**Launch of innovative products – Time line** - iMac was launched in 1998. But things went bad in last quarter of 2000 and suffered losses in 2001 with failure of iMac G4 Cube model due to slow processor, lack of proper read/write drives etc. Around 20 million units are sold till now. In October 2001, iPod was launched and initially critics were skeptical about the device with scroll wheel. Initial sales were slow, reached 1 million units figure in 2004. Apple sold 315 Million units of iPods till now. Classic, Touch, Nano, Shuffle are the product line up. iTunes was launched in 2001 as a media player program for iPod. iTunes Store is a online digital media store, was launched in April, 2003. Music, Movies, Apps, Books, Games etc are available on the store for purchase. The store served its 16 billionth song recently. iPhone is a multimedia smart phone launched by Apple in January 2007 and revolutionized the smart phone market with unique features and apps. There are five generations of iPhone models and till 2010; 74 million units of iPhone have been sold. iPad is a line of tablet computers that is a platform for media like books, periodicals, movies, music, games, and web content and Apple released the first iPad in April 2010. Apple is in line to sell 45 million units of iPad by end of 2011.

**Customers don't know what they want** - First and most Steve Jobs view on involving consumers in the product design. Generally companies spend massive amounts of money, time and resources in identifying consumer needs and design products accordingly. But Jobs felt

otherwise he followed his own vision and accordingly he designed products that are very successful and leaders in their category. He felt involving customers is not going to work effectively which is highlighted in this quote, "You can't just ask the customers what they want and try to give that to them. By the time you get it built, they will want something new." Another of his quotes that highlights this fact is "It's really hard to design products by focus groups. A lot of times, people don't know what they want until you show it to them." Another of his quote in this regards "It took us three years to build the NEXT computer. If we'd given the customer what they said they wanted, we'd have built a computer they'd have been happy with, a year after we spoke to them – not something they'd want now."

**Innovation is differentiator** - Jobs believed innovation is the distinguishing factor between a leader and follower and always focused on designing new products by questioning the conventional designs. He believed innovation makes money and also felt that "Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it." He always controlled the prime technology in everything that Apple does and he was able to design innovative products that created a cult of followers. Apple fans loyalty is a parameter of innovative success of Apple. Innovation requires discipline and years of R&D to turn the ideas into great products.

**Leadership Style** - Jobs said "My model for business is The Beatles. There were four guys who kept each other's, kind of, negative tendencies in check. They balanced each other, and the total was greater than the sum of the parts. And that's how I see business. You know, great things in business are never done by one person. They're done by a team of people." He always believed in the talents of his employees and he felt that his employees are both good in hardware, software, design and ultimately deliver the best in class products. He led his people from front and motivated them to change the world through the apple products. He always supported his employees working on innovation and design and provided them with necessary space in the organization. 2.

**Personal Life** - Jobs said he never did it for money. He said he is the only person he knew who lost a quarter of a billion dollars in one year. He could make big choices in life by thinking he is going to die so as to avoid the trap of thinking of loss. He doesn't want to be the richest man in the cemetery but what matters to him most is achieving something wonderful. He was never

afraid to accept his mistakes and learn from them. He always wanted to do innovative things in life and he tried to turn his dreams into reality by building innovative products.

Steve Jobs is one of the most innovative entrepreneurs and he built a DNA into his company Apple that merges technology with art and design innovative products for the consumers. His vision and creative genius will be guiding star for the company to move forward and design and develop innovative products. Steve Jobs loves his company and he always struggled and took great risks to keep his company at forefront in the market. It is true that "Three apples have changed the world. One seduced Eve, one awakened Newton, and the third (half bitten) is in the hands of Steve Jobs."

**Required:**

- (a) From the case above explain how Apple Company contributed to the Customers. (15 marks)
- (b) Identify and explain any Social responsibility of Apple to its Employees. (15 marks)

**Question Two**

- (a) Business ethics is a form of applied ethics or professional ethics, that examines ethical principle and moral or ethical problems that canaries in a business environment. State and explain advantages of business ethics to employees at a work place. (10 marks)
- (b) Discuss the role of trade associations in promoting business ethics. (10 marks)

**Question Three**

- (a) Discuss ways of encouraging ethical behavior at work place. (10 marks).
- (b) Discuss the roles of Human Resource Management in promoting Ethics at the work place (10 marks)

**Question Four**

- (a) State and explain any five principles of business ethics in an organization. (10 marks)
- (b) As an HR manager, you are ethically responsible for promoting and fostering fairness and justice for all employees and their organizations. State and explain ways to promote fairness and justice in an organization. (10 marks)

**Question Five**

- (a) Social responsibility means that businesses, in addition to maximizing shareholder value, should act in a manner that benefits society. Highlight the responsibilities of a business towards community and the public. (12 Marks)
- (b) Discuss the advantages of a business being environmentally friendly. (8 marks)

Provide goods - Right advertisement  
sell goods of wide quantity and quality  
Considerable prices, set fair prices  
Providing employment  
Participating in social responsibility  
Supply of goods and services wanted  
Selling of legal goods  
ethics → Avoiding Practising of malpractices