



(University of Choice)

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

SUPPLEMENTARY/SPECIAL EXAMINATIONS

**UNIVERSITY EXAMINATIONS
2016/2017 ACADEMIC YEAR**

SECOND YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF COMMERCE**

COURSE CODE: BCB 207

COURSE TITLE: BUSINESS ETHICS

DATE: Friday 29th SEPTEMBER, 2017

TIME: 8.00A.m. – 10.00A.m.

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer THREE (3) questions

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over. ►

SECTION A (30 MARKS)

QUESTION ONE

Mr. Patela patriot who was educated by the Government of Kenya works as an assistant engineer for Quick-works Construction Company, a small construction company in Western Kenya.

The company has a contract to build a local hospital in Bungoma Town. During the course of his work, Mr. Patel comes across documents that suggest that Quick-works Construction Company has actually been bribing public officers in order to be considered in a tender. Mr. Patel is shocked. He knows this practice is unethical. And even though this was to the benefit of his employer, Quick-works Construction Company may face criminal charges and suffer negative publicity. The practice was also making Quick-works Construction Company to over standard services.

Mr. Patel gathers together the appropriate documents and takes them to his immediate superior, Mr. Wamalwa. Mr. Wamalwa says, "Look, I don't think that sort of thing is your concern, or mine. We are just employees in this company and Quick-works Construction Company is a beneficiary of this deal. For the sake of our jobs and the survival of the company, I suggest you drop this issue."

The next day, Mr. Patel decides to go one step further, and talk to Angela Nafula, the company's Operations Manager and the daughter of Bungoma county chief of staff. Angela is clearly irritated. Angela says, "This isn't your concern. Look, this is the only way a little company like ours can win tenders and compete with giant competitors. Besides, it is not illegal and everyone knows that this is what takes place in Kenya. You don't lose anything as an individual and you are not even a native of this country. I consider this matter closed."

Mr. Patel considers his situation. The message from his superiors was loud and clear. He strongly suspects that making further noises about this issue could jeopardize his job.

Required:

- a) From Angela's statement that, 'these is the only way a little company like ours can win tenders and compete with giant competitors'. Explain any FIVE benefits of business ethics which you can use to counter this statement. (10 marks)
- b) State FIVE factors that may have influenced the management of Quick-works Construction Company in their ethical position. (5 marks)

- c) Explain FIVE elements that should be included in Quick-works Construction Company's code of conduct (5 marks)
- d) Basing on his argument, briefly describe the level of ethical growth of Mr. Wamalwa in the moral development of persons. (2 marks)
- e) Comment on Quick-works Construction Company's position on corporate social responsibility (2 marks)
- f) Explain SIX measures which can be employed by the Government and other regulators in dealing with corruption (6 marks)

(Total: 30 marks)

SECTION B

QUESTION TWO

- a) Describe THIRD levels in the moral development of persons. (4 marks)
- b) Outline any FOUR ethical actions that a Business should perform as an obligation to their suppliers. (4 marks)
- c) Describe any SIX ethical tests that can be used by an officer/professional in making ethical business decisions. (12 marks)

QUESTION THREE

- a) The goal of advertising tends to be to persuade people to buy a product rather than to convey information. Describe FIVE forms of morally questionable advertising. (10 marks)
- b) Discuss FIVE ways that can be employed by an organization in an effort to improve their moral climate. (10 marks)

QUESTION FOUR

- a) Explain the word Morality in relation to business ethics (2 marks)
- b) Robert Johnson describes the categorical imperative as a method to find out if an action is permissible using four steps. Describe the FOUR steps: (8 marks)
- c) Corporate governance is the system by which companies are directed and controlled. Explain FIVE benefits of good governance in an insurance company. (10 marks)

