



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

**UNIVERSITY SUPPLEMENTARY 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, 2<sup>ND</sup> AUGUST 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)**

### **FAILURES BEHIND THE SUCCESS OF RICHARD BRANSON**

He is indeed successful, but what about his failures? Sir Richard Branson has made news headline again after launching the Global Entrepreneurship Congress in the Liverpool this week. An event made possible by Liverpool Vision and the Kauffman Foundation in celebration of the annual gathering entrepreneurs for the Global Entrepreneurship Week, Richard Branson shared his valuable lessons learnt for being a successful British Entrepreneur and also his failures.

We at Entrepreneurs.my decide to dive into the few Failures of Richard Branson in his entrepreneurship journeys and those reasons which have made this serial entrepreneur a success story for the world. The key lesson here we found, which is a key learning message shared by Richard Branson, in nearly every talks he had ever given, was for entrepreneurs to be resilient, persistent and living up by his motto; Screw It! Just Do It! These are the traits that have made Richard Branson such an admired entrepreneur in England and also around the globe. However, like any successful entrepreneurship story, there were also challenges towards the life of such an adventurous entrepreneur like Branson.

#### **Losing Some Stakes in his Companies**

When Richard Branson first launched his Virgin Atlantic to compete with British Airways for flights across the Atlantic ocean which connects the UK to the USA, he was up for some serious competition. The competition was so fierce that skeptics believed that Branson had to sell the thriving Virgin Music business in 1992 for a record of \$560 million pounds in order to sustain and keep Virgin Atlantic alive. In 1999, Richard Branson further sold 49% stake of the airline to aviation giant, Singapore Airlines to relieve the financial difficulties that his airline was facing at that time.

#### **Ventures that Just Failed**

Richard Branson is iconic being the daring entrepreneur who would challenged the established businesses in providing better services and products to consumers. However, as much as Branson would like to compete and prove to the bigger players that the smaller ones can indeed win too in business, Branson is an example of a daring entrepreneur who had also met his challenges in the past.

Virgin Cola, introduced by Richard Branson in 1994 as the rival to Coca-Cola, has practically disappeared. Virgin Clothes, launched on the stock exchange in 1996, folded with losses to shareholders, after debuting with promising new trends in providing more edgy wardrobe to the young. Virgin Money was launched with a viral and somewhat controversial advertising campaign, panned by critics with Richard Branson emerging naked from the sea, but did not deliver the expected big financial rewards to its shareholders. Then came Virgin Vie, Virgin Vision, Virgin Vodka, Virgin Wine, Virgin Jeans, Virgin Brides, Virgin Cosmetics and Virgin Cars – All the major brands who wanted to compete and earn a huge market share from established brands in those areas, failed to live up towards expectations.

**Despite Failures in Entrepreneurship Ventures, there were still Valuable Lessons for Entrepreneurial Success!**

No doubt, Richard Branson may have failed quite a number of times, but he is still hailed as England's most celebrated entrepreneur and a renowned iconic business figure around the globe. How is that so? This is because, through Branson's efforts, despite having gone through the hardships of his ventures not working out, he has had the opportunity to make most of them work! And they work marvelously, churning out fortunes for his shareholders and continues to deliver value to customers. Of course, what always excites people of Richard Branson is his initiative to Dare and to Win! which may be lacking in entrepreneurs today.

Until time will tell if his more recent venture in space travel – Virgin Galactic would actually take off and become the world's first commercially piloted tourist spacecraft into space, in a few year times. But one has to admit, no matter how skeptical you are, that Richard Branson continues to pit his courage to test out new ideas and innovations, that would mostly still leave the world speechless.

Now, to many of our British friends, he is certainly very different from Lord Sugar, the English property and commodities tycoon anyway...

Required:

- (a) From the case above explain how Richard Branson's Business contributed to the Customers. (15 marks)
- (b) Identify and explain any Social responsibility of Richard Branson's Business to its Employees. (15 marks)
- (c)

## **Question 2**

- (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 the Consumers. (10 marks)
- (b) Discuss the role of Business Ethics Officer in promoting business ethics. (10 marks)

## **Question 3**

- (a) The treatment of employees with ordinary decency and distributive justice. The ethical business goals as the employee will motivated and they will work with efficiency and effectiveness. Discuss role Human Resource Management plays in promoting Ethics at the work place (10 marks)
- (b) State and explain any five principles of business ethics in an organization. (10 marks)

## **Question 4**

- (a) Discuss advantages of Business Ethics to consumers. (10 marks)
- (b) State any unethical practices by a Human Resource Manager of an organization. (10 marks)

## **Question 5**

- (a) State and explain some of the major environmental issues in business. (12 marks)
- (b) State and explain barriers to considering environmental Ethics by Small Businesses in Kenya. (10 marks)

**END**