

# Unit 3 - Week 1

## Course outline

### How to access the portal?

### Week 0 - Assignment 0

### Week 1

- Lecture 01 : What is a Corporation
- Lecture 02 : Ethical Corporation
- Lecture 03 : What is Ethics
- Lecture 04 : Law and Ethics, and Responsibilities
- Lecture 05 : Why should a Corporation be Ethical
- Lecture Material

### Quiz : Assignment 1

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### Assignment Solution

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# Assignment 1

The due date for submitting this assignment has passed.  
As per our records you have not submitted this assignment.

**Due on 2019-08-14, 23:59 IST.**

1) According to Carroll, the social responsibility of a business covers four kinds of responsibilities. Which of the following is **not** one of those four mentioned by Carroll? **2 points**

- (A) Career responsibilities: To ensure career advancement opportunities to senior managers and directors of the company.
- (B) Economic responsibilities: To make sufficient profit to stay in business.
- (C) Ethical responsibilities: To engage in what is right and what is good.
- (D) Legal responsibilities: To comply with the prevailing legal requirements.

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(A) Career responsibilities: To ensure career advancement opportunities to senior managers and directors of the company.

2) Match List I correctly with List II from the options given below: **2 points**

	List-I		List-II
a.	Increased growth of corporations calls for an ethical self-restraint	i.	Strategic reason why a business should be ethical
b.	Rise of new paradigms to follow, e.g., Triple Bottom Line	ii.	Ethical reason why a business should be ethical
c.	It is only fair that business, which takes resources from society, should give back to society	iii.	Situational reason why a business should be ethical
d.	Being ethical creates brand value for a corporation	iv.	Situational reason why a business should be ethical

- (A) a-iii b-ii c-i, d-iv
- (B) a-i, b-ii, c-iii, d-iv
- (C) a-iv, b-iii, c-ii, d-i
- (D) a-ii b-iii, c-iv, d-i

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(C) a-iv, b-iii, c-ii, d-i

3) Consider this: Sustainable Development stands for: **2 points**

- (i) Exclusively economic development which results in a high level of GDP in present time.
- (ii) Development that seeks to meet the needs of the present without compromising the ability of future.
- (iii) Development which only ensures that businesses should prosper.
- (iv) Long-term development in financial, social and environmental aspects.

Which of the following is true?

- (A) i, ii, & iv
- (B) ii & iv
- (C) Only ii
- (D) Each of i, ii, iii & iv .

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(B) ii & iv

4) Consider the following statements and choose the correct answer: **2 points**

- (i) The enforcement of legal 'should' is by 'force'; the enforcement of ethical 'should' is supposed to be 'internal,' driven by values.
- (ii) We cannot assign ethical responsibilities to an artificial entity such as a corporation.
- (iii) One of the strategic or pragmatic reasons behind a corporation being ethical is to avoid penalties, legal disputes, and fines.
- (iv) An ethical dilemma is a conflicting situation between at least two competing obligations.

- (A) i-True, ii- False, iii-True, iv- False
- (B) i-True, ii- True, iii-True, iv- False
- (C) i-True, ii- False, iii-False, iv- False
- (D) i-True, ii-False, iii- True, iv- True

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(D) i-True, ii-False, iii- True, iv- True

5) Which one is an ethical corporation? **2 points**

- i) A Corporation which sells medicines banned in home country to the low income countries, plants trees, and supports the neighborhood schools and colleges.
- ii) A Corporation which uses renewable energy for office lighting and cooling, reports its financial data meticulously, and in its outsourced units allows very low wages to the workers.
- iii) A Corporation which supports its mining operations in a distant country by financially supporting the oppressive military regime involved in violations of the human rights in that country, but follows the law, and pays the taxes dutifully.
- iv) None of the above.

Choose the correct answer from the following:

- (A) ii) & (i)
- (B) i), iii) & iv)
- (C) ii)
- (D) Only (iv)

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(D) Only (iv)

6) Assertion (S): Corporation must act judiciously, with due considerations to 'what is right', 'what is good'. **2 points**

Reason (R): A business fulfills the society's needs, and the society gives it the license to operate. There is an unwritten social contract between business and society: to stay within certain limits.

- (A) (S) is correct, but (R) is incorrect.
- (B) Both (S) and (R) are correct, and (R) is a reason for (S).
- (C) Both (S) and (R) are correct, but (R) is not a reason for (S).
- (D) (R) is correct, but (S) is incorrect.

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(B) Both (S) and (R) are correct, and (R) is a reason for (S).

7) Consider the following characteristics of a corporation and choose the correct answer from the given options: **2 points**

- i) The shareholders of a Corporation are personally liable for the actions and the financial situation of the company.
- ii) Shareholders of a corporation will not be personally liable for the debts incurred by that Corporation.
- iii) Incorporation is a legal process through which a corporation is created.
- iv) Liquidation is the process through which the legal life of a Corporation could be ended.

- (A) i-False, ii- True, iii-True, iv- True
- (B) i-True, ii- True, iii-True, iv- False
- (C) i-True, ii- False, iii-False, iv- False
- (D) i-True, ii-False, iii- True, iv- True

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(A) i-False, ii- True, iii-True, iv- True

8) Choose the correct option: Corporations who run their operations according to the Stakeholder theory of the firm create value by: **2 points**

- (A) Innovating new and quality products
- (B) Increasing the value of their stock price
- (C) Developing their employees' professional skills.
- (D) All of the above

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(D) All of the above

9) Consider these claims, and identify the correct option that captures their truth / falsity in the right sequence: **2 points**

- (i) The duty of the managers of an Ethical Corporation is to run the business only in the interest of the company.
- (ii) The next generation understanding of CSR insists upon more pro-activeness and engagement by business in being socially responsible.
- (iii) Carroll conceived of CSR as a 4-layered responsibility, but he meant that a business should meet the 4 layers sequentially.
- (iv) The law gives a Corporation the right to acquire or sell its property, and to enter into contracts.

Options:

- A. (i) False, (ii) False, (iii) False, (iv) True
- B. (i) True, (ii) True, (iii) False, (iv) True
- C. (i) False, (ii) True, (iii) False, (iv) True
- D. (i) True, (ii) False, (iii) True, (iv) False

No, the answer is incorrect.  
Score: 0

Accepted Answers:

C. (i) False, (ii) True, (iii) False, (iv) True

10) Which one of the following corporation performs Corporate Social Responsibility (CSR)? **2 points**

- (A) Corporation 'X' whose sole aim is to increase the profit margin.
- (B) Corporation 'Y' which plants trees but dumps its wastewater into a nearby river.
- (C) Corporation 'Z' which sells solar-energy driven water desalination units in an area which has potable water scarcity.
- (D) None of the above.

No, the answer is incorrect.  
Score: 0

Accepted Answers:

(C) Corporation 'Z' which sells solar-energy driven water desalination units in an area which has potable water scarcity.