



**Eastern University, Sri Lanka**  
**Faculty Of Commerce and Management**

**Final Year First Semester Examination in Bachelor Of Commerce/Specialisation in**  
**Enterprise Development- 2013/ 2014**  
**( December 2015/ January 2016)**  
**(Proper/Repeat)**  
**DED 4033 Business Ethics**

Answer all questions

Duration: Three hours

1. There are at present three approaches having a similar focus in protecting various interests of the society and the stakeholders in the world of business. Business ethics is one of them. Business ethics with its social values and social concerns came into focus in 1970s, which forced companies to abstain their policies that violate consumer protection and environmental problems.
- (i) Define and explain the meaning of the term Business Ethics (05 Marks)
- (ii) Discuss the concern of the Business Ethics at the societal and stakeholders levels of a Business. (05 Marks)
- (iii) What are the influences of Business Ethics at the personal policy level of a manager? (05 Marks)
- (iv) Differentiate between "prescriptive ethics" and "descriptive ethics". (05 Marks)
- (Total Marks 20)**
2. Ethics is concerned with behaviour. Ethical questions are essentially questions about whether we ought or ought not to perform certain kinds of actions. Unfortunately in recent years an alarming number of un-ethical situations have arisen in Sri Lankan businesses.
- (i) Illustrate one situation where an un-ethical issue was identified in the Sri Lankan business scenario. (05 Marks)
- (ii) Discuss the importance of business ethics to the world of business (05 Marks)
- (iii) List and explain the three key reasons observed by Thomas Donaldson in his book "Ethics in Business" as to why ethics plays a key role in Business. (05 Marks)
- (iv) Describe the three "c"s of Business Ethics. (05 Marks)

**(Total Marks 20)**

3. Ethical issues sometimes occur as managerial dilemmas because they represent a conflict between an organisation's economic performance and its social performance.

(i) What do you understand by the economic performance of a business and explain how it is measured. (05 Marks)

(ii) What do you understand by the social performance of a business and explain how it is measured. (05 Marks)

(iii) Ethical conduct reflects a decline in the economic performance of a business. Critically analyse this statement (05 Marks)

(iv) Discuss the benefits of managing ethics in business organisations. (05 Marks)

**(Total Marks 20)**

4. Most people at sometimes in their lives pause to reflect on what morals and principles they should have and what moral standards are the best justified.

(I) What do you understand by "Morals" and 'Moral Standards". (05 Marks)

(II) What are the factors that have an influence on the Moral development of an individual? (05 Marks)

(III) Describe Kohlberg's six stages Category System of understanding Moral Development. (10 Marks)

**(Total Marks 20)**

5. Write short notes on the following.

(i) Difference between business ethics and office ethics

(ii) Ethical Dilemma

(iii) Consequences of Un ethical behaviour

(iv) Corporate Social Responsibility

**(Total marks 4@5 20)**