1. Why did the officials at Merck finally decide to produce the "river blindness" medicine, even though it seemed unlikely that they would recoup their investment? Should corporations be required to act as Merck did?

2. According to the dictionary, the term ethics has a variety of different meanings. One of its meanings is: The principles of conduct governing an individual or a group.
   a. True
   b. False

3. Moral standards can be distinguished from non-moral standards using the following characteristics:
   a. They deal with matters that can seriously injure or benefit humans.
   b. Are not established or changed by authoritative bodies.
   c. They are based on impartial considerations.
   d. A & C
   e. All the above

4. What is the distinction between ethics and morality? Discuss the different meanings of the word "ethics," and encourage students to come up with examples that elucidate the distinctions between these definitions.

5. What would you have done in Vandivier's case? Is he to blame for any injuries that resulted from the faulty brakes, or are his actions excusable? Are there any mitigating circumstances that lessen his moral culpability?

6. Ethics is the discipline that examines one's moral standards, or the moral standards of a society.
   a. True
   b. False

7. Though business ethics covers a variety of topics, three basic types of issues are:
   a. Systematic, corporate and public
   b. Systematic, corporate and individual
   c. Individual, group and social
   d. None of the above

8. What are the six characteristics that distinguish moral standards? Why is each of them necessary to define moral standards in general?

9. What are the three basic types of ethical issues? Come up with an example of an ethical issue for each type.

10. Ethical relativism is the theory that, because different societies have different ethical beliefs, there is no rational way of determining whether an action is morally right or wrong other than by asking the people of that society what they believe.
    a. True
    b. False
11. Lawrence Kohlberg identified twelve stages of moral development.
   a. True
   b. False

12. How do moral obligations apply to business organizations? Can companies be held accountable for what they do, or are the individuals who make up the company the ones we must hold accountable? Discuss the major arguments concerning corporate responsibility.

13. What special ethical issues do multinational companies face? How should they, and society, respond to these issues?

14. To evaluate the adequacy of moral reasoning, ethicists employ the following criteria:
   a. Moral reasoning must be logical.
   b. Factual evidence must be accurate, relevant, and complete.
   c. Moral standards must be consistent.
   d. A & B
   e. A, B & C

15. Producing what the buying public wants may not be the same as producing what the entirety of society needs. The argument is essentially making a normative judgment on the basis of some assumed but unproved moral standards.
   a. True
   b. False

16. What is ethical relativism? What are the difficulties with the theory? What does it have to offer us, even if it seems largely mistaken?

17. What are the three criteria used to evaluate the adequacy of moral reasoning? Have students apply the criteria to a series of moral judgments to evaluate each example's relative adequacy.

18. The "Loyal Agent Argument" states: An employer would want to be served in whatever ways will advance his or her self-interests. Therefore, as a loyal agent of his or her employer, the manager has a duty to serve his or her employer in whatever ways will advance the employer's self-interests.
   a. True
   b. False

19. Dr. P. Roy Vagelos, Merck's head of research and development, decided to fund the money required to develop Ivermectin to cure river blindness because of its large profit potential.
   a. True
   b. False

20. What are the objections to bringing ethics into business? What are arguments in favor of doing so? Which side is more persuasive?
21. **What considerations are relevant when we assign blame for an injurious act? What is the distinction between excusing conditions and mitigating circumstances?**

22. **The Ivory Coast farmers kidnapped young boys to provide a safe place for them to live?**
   a. True
   b. False

23. **Which chocolate candy maker(s) use morally tainted cocoa beans?**
   a. Hershey's Milk Chocolate,  
   b. M & M Mars, Inc.  
   c. Nestle' USA  
   d. All of the above

24. **When evaluating an ethical dilemma, does the closeness of a stakeholder relationship influence the outcome of how it is dealt with?**

25. **According to Edward Freeman and David Reed corporate managers are obligated only to the shareholders, and no one else, because they own the corporation.**
   a. True
   b. False

26. **Microsocial norms take priority over hypernorms.**
   a. True
   b. False

27. **Richard Scrushy, former CEO of HealthSouth, was convicted of __________?**
   a. Defrauding Medicare & falsifying reports  
   b. Stealing company property  
   c. Bribery, conspiracy and mail fraud  
   d. Bigamy
Test Name: Chapter 1

1. 
2. a.True
3. e.All the above
4. 
5. 
6. a.True
7. b.Systematic, corporate and individual
8. 
9. 
10. a.True
11. b.False
12. 
13. 
14. e.A, B & C
15. a.True
16. 
17. 
18. a.True
19. b.False
20. 
21. 
22. b.False
23. d.All of the above
24. 
25. b.False
26. b.False
27. c.Bribery, conspiracy and mail fraud