

Lesson 1

■ Achievement Exam

Select the single best answer for each question or statement, then go online to www.myashworth.com and enter your answers.

1. Which of the following is one definition of the term *ethics*?
 - _____ A. the principles of conduct governing an individual or a group
 - _____ B. the process of adhering to all laws and regulations
 - _____ C. an alternate term for morality
 - _____ D. a term describing why people are good or evil

2. Moral standards can be distinguished from non-moral standards using what characteristics?
 - _____ A. They deal with matters that can seriously injure or benefit humans.
 - _____ B. They are not established or changed by authoritative bodies.
 - _____ C. They are based on impartial considerations.
 - _____ D. All the above

3. In the Integrative Social Contracts Theory, what is the term for moral standards that should be applied to people in all societies?
- ____ A. social norms
 - ____ B. microsocial norms
 - ____ C. hypernorms
 - ____ D. macrosocial norms
4. In the Integrative Social Contracts Theory, what is the term for moral standards that differ from one community to another?
- ____ A. social norms
 - ____ B. microsocial norms
 - ____ C. hypernorms
 - ____ D. communal norms
5. The term for the worldwide process by which the economic and social systems of nations become connected is called ____.
- ____ A. connectivity
 - ____ B. internationalization
 - ____ C. multinationalism
 - ____ D. globalization

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6. How many stages of moral development did Lawrence Kohlberg identify?
- ___ A. two
 - ___ B. six
 - ___ C. three
 - ___ D. twelve
7. What are the two stages within the first level (Preconventional level) of Kohlberg's Three Levels of Moral Development?
- ___ A. punishment and obedience orientation; instrumental and relative orientation
 - ___ B. interpersonal concordance orientation; law and order orientation
 - ___ C. social contract orientation; universal moral principles orientation
 - ___ D. microsocial norm orientation; interpersonal concordance orientation
8. According to Gilligan's Theory of Female Moral Development, how do males typically tend to deal with moral issues?
- ___ A. in an emotionally biased manner
 - ___ B. in a manner based on family and community norms
 - ___ C. in terms of specific, personal moral principles
 - ___ D. in terms of impersonal, abstract moral principles

9. How do we stimulate moral development in ourselves?
- ____ A. experience difficult ethical decisions ourselves
 - ____ B. engage in interaction and discussion of moral issues with people around us
 - ____ C. read about how others have dealt with ethical decisions
 - ____ D. avoid ethically dubious situations
10. What happens during the Conventional Stages of Kohlberg's Three Levels of Moral Development?
- ____ A. Children can see moral rights and wrongs.
 - ____ B. Children can apply the labels good, bad, right, and wrong.
 - ____ C. Children satisfy their own needs through right actions.
 - ____ D. The person tries to see right and wrong impartially.
11. Which of the following are necessary for moral reasoning?
- ____ A. cognition
 - ____ B. logic
 - ____ C. emotions
 - ____ D. all of the above

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12. Which of the following is not an argument for bringing ethics into business?
- ☐ A. A business will collapse if all its managers, employees, and customers steal, lie, or break agreements.
 - ☐ B. Ethical people will be more loyal customers and will spend more money.
 - ☐ C. A stable society is necessary to conduct business dealings.
 - ☐ D. None of the above
13. 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
14. What is the theory of ethical relativism?
- ☐ A. the theory that there are universal ethical standards that people should adhere to
 - ☐ B. the theory that there are no ethical standards whatsoever
 - ☐ C. the theory that ethical standards are dependent on each particular culture
 - ☐ D. the theory that ethical standards are dependent on the culture's level of technology and advancement

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15. Which of the following ethical issues did NOT arise as a result of the Industrial Revolution?
- ☐ A. worker exploitation in factories
 - ☐ B. environmental damage
 - ☐ C. manipulation of the new financial markets
 - ☐ D. customer privacy issues
16. What is "stakeholder theory"?
- ☐ A. Corporate managers are obligated only to the shareholders, and no one else, because they own the corporation.
 - ☐ B. Corporate managers are obligated only to the customers, and no one else, because they are the lifeblood of the corporation.
 - ☐ C. Corporate managers should consider everyone, including outside interests, when making a decision.
 - ☐ D. Corporate managers should consider all groups or individuals who can affect the achievement of an organization's objectives.
17. What ethical stance should managers adopt when in a foreign country whose laws and culture are different than what they are used to?
- ☐ A. Judge each case as it comes along.
 - ☐ B. Stick to the higher standards that are typical in their home country.
 - ☐ C. Always follow local practices and laws.
 - ☐ D. Follow their own personal code of ethics.

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18. Which of the following is NOT a universal moral value or norm that anthropologists have found in all human groups?
- ☐ A. prohibition against breaking promises
 - ☐ B. the requirement to compensate injuries
 - ☐ C. restrictions on all forms of violence
 - ☐ D. the appropriateness of having pride for one's achievements
19. When are our values formed?
- ☐ A. during childhood, and they do not change after that
 - ☐ B. during adolescence
 - ☐ C. once we are adults
 - ☐ D. all throughout our lives as we mature
20. What is an example of a microsocial norm?
- ☐ A. prohibition of murder
 - ☐ B. prohibition of alcohol
 - ☐ C. prohibition of torture
 - ☐ D. prohibition of stealing

Lesson 2

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1. Which of the following is not true of utilitarianism?
 - _____ A. It advocates maximizing utility.
 - _____ B. It provides an easy way to measure utility.
 - _____ C. It appears intuitive to many people.
 - _____ D. It has influenced economics.

2. What is one of the reasons people find utilitarianism to be an attractive ethical theory?
 - _____ A. It can provide individuals with a fair, ethical decision-making process.
 - _____ B. It matches the views we tend to hold when discussing governmental policies and public goods.
 - _____ C. It provides an emotion-based way of negotiating ethical issues.
 - _____ D. None of the above

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3. What is a major problem with the utilitarian reliance on measurement?
- ☐ A. Comparative measures of the values things have for different people cannot be made; we cannot get into each other's skin to measure the pleasure or pain caused.
 - ☐ B. All benefits and costs are possible to measure.
 - ☐ C. People may not want to consider the potential costs of an action.
 - ☐ D. All of the above
4. What does rule utilitarianism look at?
- ☐ A. the amount of utility produced by a particular action
 - ☐ B. the moral rules of a particular action
 - ☐ C. the people affected by a particular action
 - ☐ D. the legality and legal rules of a particular action
5. Which of the following is NOT true regarding moral rights?
- ☐ A. They are closely related to duties.
 - ☐ B. They provide a basis for justifying one's actions.
 - ☐ C. They generally override utilitarian standards.
 - ☐ D. They are immune from all utilitarian considerations.

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6. What is a criticism of utilitarianism?
- ☐ A. Not all values can be measured.
 - ☐ B. It harms the weak.
 - ☐ C. It does not account for the environment.
 - ☐ D. It does not provide a system to determine who should receive benefits.
7. Which of the following is NOT one of the "universal human rights" espoused by the United Nations?
- ☐ A. the right to own property
 - ☐ B. the right to welfare
 - ☐ C. the right to reasonable working hours
 - ☐ D. the right to periodic holidays with pay
8. What did critics allege was wrong with Disney's principles when it came to human rights standards for China?
- ☐ A. Their code of ethics conflicted with cultural values in China.
 - ☐ B. Their code of ethics did not include occupational safety.
 - ☐ C. Their code of ethics had not been updated since the foundation of the company.
 - ☐ D. Their code of ethics was too narrow and not enforced.

9. What type of justice involves the imposition of penalties?
- ☐ A. retributive justice
 - ☐ B. distributive justice
 - ☐ C. reparative justice
 - ☐ D. compensatory justice
10. What type of justice involves remuneration for wrongs or injuries?
- ☐ A. retributive justice
 - ☐ B. distributive justice
 - ☐ C. reparative justice
 - ☐ D. compensatory justice
11. What type of justice involves the allocation of benefits and burdens?
- ☐ A. retributive justice
 - ☐ B. distributive justice
 - ☐ C. reparative justice
 - ☐ D. compensatory justice

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12. What is the definition of capitalist justice?
- ☐ A. Every person should be given exactly equal shares of a society's or a group's benefits and burdens.
 - ☐ B. In any situation the right course of action is the one that will provide people with the greatest amount of benefits while minimizing harms.
 - ☐ C. Benefits should be distributed according to the value of the contribution the individual makes to a society, a task, a group, or an exchange.
 - ☐ D. Work burdens should be distributed according to people's abilities, and benefits should be distributed according to people's needs.
13. Which of the following is an ethical rule governing contracts?
- ☐ A. The contract must be fair.
 - ☐ B. The contract must be enforceable.
 - ☐ C. The contract must be specific.
 - ☐ D. The contract must not be immoral.
14. What was the ethical dilemma that Traidos Bank was presented with when dealing with Swiss pharmaceutical company, Roche?
- ☐ A. Roche was engaging in legally dubious accounting practices.
 - ☐ B. Roche dealt with countries that Traidos Bank found to be unethical.
 - ☐ C. Roche used questionably obtained organs for transplant drug testing.
 - ☐ D. Roche did not deal fairly with Traidos Bank.

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15. What is the ethic of virtue?
- ☐ A. an emphasis on the value of caring for others' well-being
 - ☐ B. an ethic based on evaluations of the moral character of a person
 - ☐ C. a view that holds that actions should be weighed based on benefits and costs
 - ☐ D. the ethic that benefits and burdens should be distributed fairly
16. Why did the Ford managers decide not to fix the gas tank on the Pinto?
- ☐ A. because they believed it was best for society as a whole
 - ☐ B. because they did not have enough time or budget
 - ☐ C. to save money on the cost of fixing the tanks
 - ☐ D. because they were acting in self-interest
17. What are considerations to follow in determining what might be the moral thing to do?
- ☐ A. You must determine what alternative actions are available.
 - ☐ B. You must estimate the direct and indirect costs and benefits the action would produce for all involved in the foreseeable future.
 - ☐ C. You must choose the alternative that produces the greatest sum total of utility.
 - ☐ D. All the above

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18. How does a cost-benefit analysis determine the desirability of investing in a project?
- ____ A. by figuring whether its present and future economic benefits outweigh its present and future economic costs
 - ____ B. by figuring whether its future economic benefits outweigh its present economic costs
 - ____ C. by figuring whether its present and future economic benefits outweigh its future economic costs
 - ____ D. by figuring whether present economic benefits outweigh present economic costs
19. What are intrinsic goods?
- ____ A. things that are considered good because they lead to other good things
 - ____ B. things that we believe we desire, because of advertising and popular opinion
 - ____ C. things that are desired for their own sake, such as health and life
 - ____ D. things which we do not value or desire, but others do
20. Which of the following is not a moral right?
- ____ A. negative rights
 - ____ B. contractual rights
 - ____ C. positive rights
 - ____ D. legal rights

Lesson 3

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1. According to Locke, the power of government should be _____.
 - _____ A. expanded to meet the needs of all citizens
 - _____ B. expanded to meet the needs of corporations
 - _____ C. limited, extending only far enough to protect basic rights of all citizens
 - _____ D. limited, extending only far enough to protect the basic rights of corporations

2. Which country's laws regarding property and ownership rights have been influenced by John Locke's views?
 - _____ A. United States
 - _____ B. Japan
 - _____ C. Thailand
 - _____ D. Mexico

3. Modifying Locke's views on free markets, Adam Smith's arguments rest on _____ arguments that unregulated markets and private property will produce greater benefits than any other system.
 - _____ A. Kantian
 - _____ B. Utilitarian
 - _____ C. Communist

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4. According to Smith, when private individuals are left free to seek their own interests in free markets, they will inevitably be led to further the public welfare by _____.
- _____ A. giving donations
 - _____ B. spending more freely
 - _____ C. the "invisible hand"
 - _____ D. a "guiding light"
5. Smith's utilitarian argument is most commonly criticized for making which of the following so-called "unrealistic" arguments?
- _____ A. Smith assumes that no one seller can control the price of a good.
 - _____ B. Smith assumes that the manufacturer will pay for all the resources used to produce a product.
 - _____ C. Smith assumes that humans are motivated only by a natural, self-interested desire for profit.
 - _____ D. All the above
6. Karl Marx offers the most critical view of modern private property and free market institutions. Marx claims that free-market capitalism necessarily produces _____.
- _____ A. extremes of inefficiency
 - _____ B. extremes of efficiency
 - _____ C. extremes of equality
 - _____ D. extremes of inequality

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7. Ricardo looks to which rule setter to normalize trade?
- ☐ A. World Trade Organization
 - ☐ B. World Bank
 - ☐ C. International Monetary Fund
 - ☐ D. None of the above
8. What effects of capitalism did Karl Marx observe and detail?
- ☐ A. the rise of large corporations
 - ☐ B. pollution of the environment
 - ☐ C. unethical behavior of business owners
 - ☐ D. worker exploitation and inequality
9. What did Marx's "alienation" theory say about the nature of a human being?
- ☐ A. It is our nature to be self-determined and be able to satisfy our true needs.
 - ☐ B. It is our nature to be greedy and always want more.
 - ☐ C. It is our nature to want to do good.
 - ☐ D. It is our nature to avoid conflict, and therefore workers do not rise against their oppressors.

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10. What is a key cause of alienation, according to Marx?
- _____ A. Capitalist managers care nothing for their workers.
 - _____ B. In a capitalist society, there are only a few rich people and many poor.
 - _____ C. Capitalist societies see everything in terms of their market prices.
 - _____ D. It is impossible for workers to not be alienated when they are essentially slaves to the system.
11. What did Marx object to in regards to private property?
- _____ A. private ownership of land
 - _____ B. private ownership of factories and companies
 - _____ C. private ownership of houses, clothes, etc.
 - _____ D. private ownership of anything
12. What did Marx call the combined effects of economic downturns, rising unemployment, and declining relative compensation?
- _____ A. the misery of workers
 - _____ B. the immiseration of workers
 - _____ C. the oppression of workers
 - _____ D. the alienation of workers

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13. Social Darwinists had a different take on the utilitarian justification for free markets. What did they argue?
- ____ A. They argued that only by aiding weaker businesses can they grow strong.
 - ____ B. They argued that economic competition would not produce human progress.
 - ____ C. They argued that economic competition was inherently flawed.
 - ____ D. They argued that the best businesses are those that can survive fierce economic competition.
14. What is the basic problem underlying the views of the social Darwinist?
- ____ A. Survival of the fittest is assumed to be survival of the best.
 - ____ B. It does not take into account those less fortunate.
 - ____ C. It conflicts with notions of government.
 - ____ D. It is unsustainable.
15. Many economists now advocate retaining the market system and private property while modifying their workings through government regulation. This is known as a ____.
- ____ A. pure capitalist economy
 - ____ B. evolutionary economy
 - ____ C. mixed economy
 - ____ D. free market economy

16. What is the definition of "absolute advantage?"
- ☐ A. Production costs of making a commodity are lower for one country than another.
 - ☐ B. A company has a trade secret that gives it an edge in the markets.
 - ☐ C. A country produces many different goods, rather than specializing.
 - ☐ D. Opportunity costs of making a commodity are lower for one country than another.
17. What is the definition of "comparative advantage"?
- ☐ A. Production costs of making a commodity are lower for one country than another.
 - ☐ B. A company has a trade secret that gives it an edge in the markets.
 - ☐ C. A country produces many different goods, rather than specializing.
 - ☐ D. Opportunity costs of making a commodity are lower for one country than another.
18. What is the most important concept in international trade theory?
- ☐ A. free trade
 - ☐ B. absolute advantage
 - ☐ C. comparative advantage
 - ☐ D. means of production

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19. Countries such as Sweden, Norway, France, Ireland, and Switzerland use which type of economy?
- ____ A. free market economy with no government regulation
 - ____ B. completely government-regulated economy
 - ____ C. free market economy with some government regulation
 - ____ D. mixed economy with lots of government regulation
20. What is the term for nonphysical property such as knowledge or information?
- ____ A. intellectual property
 - ____ B. virtual property
 - ____ C. information property
 - ____ D. Internet property