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**University Examinations 2015/2016**

SECOND YEAR FIRST SEMESTER EXAMINATION FOR DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT

**BFD 2202: BUSINESS STUDIES**

**DATE: NOVEMBER 2015 TIME: 11/2 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***two*** *questions*

**QUESTION ONE (30 MARKS)**

**Case Study**

Maresk is a global shipping company with over 500vessels moving nearly 2 million customers across the world. The customer service director, Brian, when asked to describe how company operates and meets the varied customer needs around the world, he says that the greatest attribute behind their success is effective practice of ethics and professionalism. He says that the company upholds strict management ethics and professionalism. This practice has led integrity in company operations and created trust among their customers. He also points out that his organization has been involved in community activities that has given his organization a competitive advantage. This has also helped a lot in maintaining good relationship between the organization and the society in which the organization operates. Asked how long Brian would want to work for Maresk he says; “I don’t even realize am at work. I feel so much at home. That has not crossed my mind yet”.

Required:

1. From the case study above, describe five ethical standards that Maresk may have adopted for their success in business. (10 Marks)
2. Explain how Maresk company have demonstrated their moral responsibility to their customers. (12 Marks)
3. Citing examples, explain the following terms as applied in the case study:
4. Management ethics. (2 Marks)
5. Professionalism. (2 Marks)
6. Competitive advantage. (2 Marks)
7. Corporate social responsibility. (2 Marks)

**QUESTION TWO (20 MARKS)**

1. It is essential to carry out a detailed environmental scan when starting a business. Discuss the environmental factors that one need to scan. (10 Marks)
2. Discuss at least five areas that unethical practices can be found in an organization. (10 Marks)

**QUESTION THREE (20 MARKS)**

1. XYZ Company has been doing business globally for the last 2 years. However, the company has started closing most of its branches in other countries citing that their employees’ conducts are not acceptable by the international business community. In line with this statement, explain six possible reasons why the company’s employees’ conducts are not acceptable by the international business community. (12 Marks)
2. Explain the efforts that government has made to ensure that business compete fairly and uphold the principle of fairness. (8 Marks)

**QUESTION FOUR (20 MARKS)**

1. Business have stakeholders who may be harmed by any unethical practices that in the management of the organization. Highlight the interest of the following groups and the harm they are likely to suffer:
2. Customers.
3. Government.
4. Community.
5. Shareholders.
6. Employees. (10 Marks)
7. Discuss the multidisciplinary nature of ethics in business.(10 Marks)

**QUESTION FIVE (20 MARKS)**

1. Explain the importance of the following as applied in business:
2. Norms (2 Marks)
3. Natural laws. (2 Marks)
4. Customary laws. (2 Marks)
5. Morality. (2 Marks)
6. Human conscience. (2 Marks)
7. Discuss the various arguments that forms the reasons why a firm should engage in Corporate Social Responsibility. (10 Marks)