



## BUSINESS ETHICS AND SOCIETY

### TEST INFORMATION

This test was developed to enable schools to award credit to students for knowledge equivalent to that learned by students taking the course. The school may choose to award college credit to the student based on the achievement of a passing score. The ultimate passing score for each examination is determined by the school. The school is provided with a recommended passing score established by a national committee of college faculty who teach these courses. The DSST program is approved by the American Council on Education (ACE), and the ACE provides both a recommended passing score and a recommended number of credits that could be awarded to successful students. Some schools set their own standards for awarding credit and may require a higher score than the ACE recommendation. Students should obtain this information from the institution from which they expect to receive credit.

### CONTENT OUTLINE

The following is an outline of the content areas covered in the examination. The approximate percentage of the examination devoted to each content area is also noted.

- I. Business Ethics – 5%**
  - a. Current state of business ethics
  - b. Issues raised by various business scandals
- II. Moral Philosophies and Business Ethics – 15%**
  - a. Kantian Ethics
  - b. Kohlberg’s model of cognitive moral development
  - c. Mill’s Utilitarianism
  - d. Act and Rule Utilitarianism
  - e. Social Contract
- III. Social Responsibilities of a Business – 10%**
  - a. Can businesses have responsibility?
  - b. Individual responsibilities within a business
  - c. Global responsibilities of a business
- IV. Regulation of Business – 10%**
  - a. Theoretical issues
  - b. Consequences
- V. Employer-Employee Relations – 10%**
  - a. Confidentiality and whistle-blowing
  - b. Discrimination and affirmative action
  - c. Sexual harassment
  - d. Duties of corporate officers
  - e. Labor relations
- VI. Ethics of Information – 10%**
  - a. Marketing and advertising
  - b. Bluffing and spying
  - c. Privacy issues/concerns
  - d. Control of proprietary information
- VII. Ethics in International Business – 10%**
  - a. Corporate citizenship in a global economy
  - b. Ethics in transnational corporations
  - c. Overseas work assignments and outsourcing
  - d. Ethical standards in different countries
- VIII. Corporations and Stakeholders – 10%**
  - a. Relationship with stockholders
  - b. Relationship with employees
  - c. The corporation within the community and the public good
  - d. Corporations and consumers

(Over)

## IX. Ecology and Global Business – 10%

- a. Sustainable business growth and the environment
- b. Corporate responsibility for the environment

## X. Business and Government – 10%

- a. Corporate relationships with political leaders (positive and negative)
- b. Governmental control over business activities
- c. Business, government, and the law

## REFERENCES

The following references were used to create exam questions and may be useful as study materials. You are not allowed to use these references in the testing center.

1. *Business Ethics – Ethical Decision Making and Cases*, 7th Edition, 2008, Houghton Mifflin Company, 222 Berkely Street, Boston, MA 02116 ([www.hmco.com](http://www.hmco.com)).
2. *Ethics and the Conduct of Business*, 6th Edition, 2009, Pearson Education, Upper Saddle River, New Jersey ([www.pearsonhighered.com](http://www.pearsonhighered.com)).
3. *Business and Society – Shareholders, Ethics, and Public Policy*, 12th Edition, McGraw-Hill, 2008, 1221 Avenue of the Americas, New York, NY 10020 ([www.mcgraw-hill.com](http://www.mcgraw-hill.com)).
4. *Business and Society – Ethics and Stakeholder Management*, 7th edition, 2009, South-Western Cengage Learning, 5191 Natorp Boulevard, Mason, OH. 45040 ([www.cengage.com](http://www.cengage.com))

## SAMPLE QUESTIONS

All test questions are in a multiple-choice format, with one correct answer and three incorrect options. You may want to review these samples for the type of questions that may appear on the exam.

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1. Business ethics deals with
    - a. morality
    - b. ethnicity
    - c. economics
    - d. philanthropy

2. What contemporary business practice is most similar to utilitarian reasoning?
  - a. Truth in lending
  - b. Cost-benefit analysis
  - c. Truth in advertising
  - d. The customer is always right
3. Which form of "bribe" offered to an official in a foreign country is understood to be acceptable under the Foreign Corrupt Practices Act of 1977?
  - a. Payments made to police officers to get them to overlook minor infractions
  - b. Payments made to judges to get them to rule against guilty parties
  - c. Payments made to bureaucrats to get them to expedite their assigned tasks
  - d. Payments made to lawmakers to get them to vote for favorable legislation
4. According to Boatwright, which of the following could best describe a living wage?
  - a. The wages offered by the employer
  - b. The wage at which an employee will work
  - c. A wage that is considered poverty level income
  - d. Wages that enables a worker to support a family with dignity
5. An emerging view of corporate whistle-blowing practices regards them as justified, particularly when an employee's
  - a. duty of loyalty outweighs obligations of confidentiality
  - b. obligation under the law outweighs the right to privacy
  - c. right to security outweighs the responsibility to prevent harm
  - d. responsibility to the public outweighs duties to an employer

(Over)

6. Under the Equal Employment Opportunity Commission's definition of sexual harassment, which of the following is a category of harassment?
- Glass ceiling
  - Quid pro quo
  - Absenteeism
  - Comparable worth
7. Which act provides whistle-blowers with the greatest protection?
- False Claims Act
  - Sarbanes-Oxley Act
  - The Civil Rights Act
  - The Government Protection Act
8. Byron has started a new position as an accountant at company XYZ. Company XYZ maintains medical records on employees in order to administer benefit plans or to monitor occupational health and safety. No health and safety issues are associated with Byron's position. Which of the following individuals should have access and is justified in obtaining Byron's medical information?
- Tara, the CEO of company XYZ, who has access to all of the medical records
  - Heather, the HR generalist, who administers the company health insurance plan
  - Bill, Byron's first-line supervisor, who will use the information for Byron's performance evaluation
  - Tom, Byron's supervisor and vice president of the division, who will use the information to determine future promotions
9. A corporation may be excused from the requirements of the Worker Adjustment and Retraining Notification Act (WARN) if immediate layoffs were
- accompanied by outplacement benefit programs
  - a response to declining levels of employee productivity
  - necessary as a result of unforeseen business circumstances
  - achieved through the elimination of an entire business division
10. Sustainable development requires that human society use natural resources at a rate that can be continued over a(n)
- indefinite period
  - protected period
  - renewable period
  - sustainable period

**Answers to sample questions:** 1-A; 2-B; 3-C ; 4-D; 5-D; 6-B; 7-B; 8-B; 9-C; 10-A.

### CREDIT RECOMMENDATIONS

The Center for Adult Learning and Educational Credentials of the American Council on Education (ACE) has reviewed and evaluated the DSST test development process for and content of this exam. It has made the following recommendations:

<b>Area or Course Equivalent</b>	Business Ethics & Society
<b>Level</b>	Upper-level baccalaureate
<b>Amount of Credit</b>	Three (3) semester hours
<b>Source</b>	ACE Commission on Education Credit and Credentials

It is advisable that schools develop a consistent policy about awarding credit based on scores from this test and that the policy be reviewed periodically. Prometric will be happy to help schools in this effort.