

Chapter – 6

Social Responsibilities of Business and Business Ethics

1.To promote national integration is the responsibility of business towards _____.

- (a) Community
- (b) Government
- (c)Employees
- (d)Investors

Answer. a) Community

2.To develop faith and trust in business by assuming various social responsibilities creates _____ for the business.

- (a) Problems
- (b) Chaos
- (c)Cost
- (d)Goodwill

Answer. d) Goodwill

3.The business can ensure environmental protection by adopting deforestation. Sewage disposal is a technique that could be adopted by businesses for environmental protection.

- (a) Both statements are correct
- (b) Both statements are incorrect
- (c)First statement is true, second is false
- (d)First statement is false, second is true

Answer. d) First statement is false, second is true

4.By abiding by the various acts and provisions of law, the business can avoid government interference. Lack of government interference can be fruitful in the long-term interest of the firm.

- (a) Both statements are correct
- (b) Both statements are incorrect
- (c) First statement is true, second is false
- (d) First statement is false, second is true

Answer. a) Both statements are correct

5.Match the following:

- | | |
|---------------------------------------|------------------|
| 1.Helping people affected by calamity | a. Economic |
| 2.Producing for earning profit | b. Discretionary |
| 3.Respecting religious sentiments | c. Ethical |

- (a) 1-c, 2-b, 3-a
- (b) 1-a, 2-c, 3-b
- (c) 1-b, 2-c, 3-a
- (d) 1-b, 2-a, 3-c

Answer. d) 1-b, 2-a, 3-c

6.Pick the odd one out:

- (a) Ethical
- (b) Economical
- (c) Political
- (d) Discretionary

Answer. c) Political

7.Pick the odd one out:

- (a) Government interference
- (b) Moral justification
- (c) Social power
- (d) Public image

Answer. a) Government Interference

8.Assertion: Like an individual, a business enterprise should also be a loyal citizen of the state.

Reason: The business is also a part of the system. It makes use of the resources of society.

- (a) Assertion is correct, reason is not.
- (b) Assertion is incorrect, reason is correct.
- (c)Assertion and reason both are correct.
- (d)Assertion and reason both are incorrect.

Answer. c) Assertion and Reason both are correct

9.Assertion: Businesses must procure supplies from large enterprises.

Reason: Large enterprises earning economies of scale can provide more discounts and contribute towards balanced regional development.

- (a) Assertion is correct, reason is not
- (b) Assertion is incorrect, reason is correct.
- (c)Assertion and reason both are correct.
- (d)Assertion and reason both are incorrect.

Answer. d) Assertion and Reason both are incorrect

10.When business firms use eco-friendly methods of production, then they are performing social responsibilities towards which group?

- (a) Customer
- (b) Employees
- (c)Community
- (d)Shareholders

Answer. c) Community

11.Match the following:

- | | |
|------------------------------|--------------------|
| 1.Release of carbon monoxide | a. Air pollution |
| 2.Sewage disposal in rivers | b. Noise pollution |
| 3.Use of loud machines | c. Water pollution |

(a) 1-c, 2-b, 3-a

(b) 1-a, 2-c, 3-b

(c) 1-b, 2-c, 3-a

(d) 1-b, 2-a, 3-c

Answer. b) 1-a, 2-c, 3-b

12. To protect and assist small-scale suppliers by placing orders with them is the responsibility of the business towards _____.

(a) Community

(b) Government

(c) Employees

(d) Suppliers

Answer. d) Suppliers

13. Providing fair compensation and safe working conditions, is related to social responsibilities towards:

(a) Customer

(b) Employees

(c) Community

(d) Shareholders

Answer. b) Employees

14. Social responsibility requires managers to consider whether their action is likely to promote the public good. CSR is now mandatory for companies with high turnover.

(a) Both statements are correct

(b) Both statements are incorrect

(c) First statement is true, second is false

(d) First statement is false, second is true

Answer. a) Both statements are correct

15.To design and develop products keeping in mind the needs and requirements of the customers is responsibility of the business towards _____.

(a) Community

(b) Consumers

(c)Employees

(d)Suppliers

Answer. b) Consumers