

What are Business Ethics Principles?

Worksheet

Business ethics principles are core values - such as honesty, fairness, transparency, accountability and respect - that guide ethical decision-making in a company, beyond what the law strictly requires.

Questions

1. A company issuing a public product recall after discovering a defect demonstrates which principle?

- A) Confidentiality
- B) Accountability
- C) Loyalty
- D) Efficiency

2. Disclosing accurate financial statements to investors reflects which principle?

- A) Fairness
- B) Transparency
- C) Loyalty
- D) Innovation

3. Evaluating all suppliers by the same objective criteria reflects which principle?

- A) Fairness
- B) Confidentiality
- C) Flexibility
- D) Loyalty

4. What best distinguishes business ethics from mere legal compliance?

- A) Ethics only applies to executives
- B) Ethics requires doing right even beyond legal minimums
- C) Ethics is optional for public companies
- D) Ethics only concerns marketing

5. A company discovers a safety defect in a shipped product. What does an ethical response look like?

6. A manager is offered a bribe to award a supplier contract. How should ethical principles guide the decision?

7. An investor wants clearer information before buying stock in a company. Which ethical principle addresses this?

8. Define: What are the core business ethics principles?

9. Define: How is business ethics different from legal compliance?

10. Define: What is a 'stakeholder' in business ethics?

Answer Key

1. B) Accountability - Owning the mistake and acting on it is accountability.
2. B) Transparency - Transparency means openly sharing accurate, relevant information.
3. A) Fairness - Fairness means applying consistent, unbiased standards to everyone.
4. B) Ethics requires doing right even beyond legal minimums - Ethics goes beyond the legal floor to what is morally right.
5. Step 1: Apply the principle of transparency - disclose the defect to regulators and customers promptly. Step 2: Apply accountability - issue a recall rather than quietly patching future units. Step 3: Apply fairness - compensate affected customers. Conclusion: The ethical path prioritizes disclosure and customer safety over short-term cost savings.
6. Step 1: The principle of integrity rules out accepting personal gain that compromises a business decision. Step 2: The principle of fairness requires evaluating all suppliers on merit. Step 3: The manager should report the bribe attempt per company policy. Conclusion: Reject the bribe and select the supplier based on objective criteria.
7. Step 1: The relevant principle is transparency in financial reporting. Step 2: Ethical companies disclose accurate, timely financial statements. Step 3: This builds investor trust and reduces the risk of fraud allegations. Conclusion: Transparency directly serves investors' need for reliable information.
8. Honesty, fairness, transparency, accountability and respect for stakeholders.
9. Legal compliance is the minimum required by law; ethics often demands more - doing what's right even when not legally required.
10. Anyone affected by a company's decisions - employees, customers, investors, suppliers and the community.

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