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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR**  
**THIRD YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**BUSINESS ADMINISTRATION**

Date: 14<sup>th</sup> August, 2019  
Time: 2.00 – 4.00pm

**KBA 304 - BUSINESS ETHICS**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

**CASES FROM THE REAL WORLD**

The Equifax Data Breach In 2017, from mid-May to July, hackers gained unauthorized access to servers used by Equifax, a major credit reporting agency, and accessed the personal information of nearly one-half the U.S. population. 9 Equifax executives sold off nearly \$2 million of company stock they owned after finding out about the hack in late July, weeks before it was publicly announced on September 7, 2017, in potential violation of insider trading rules. The company's shares fell nearly 14 percent after the announcement, but few expect Equifax managers to be held liable for their mistakes, face any regulatory discipline, or pay any penalties for profiting from their actions. To make amends to customers and clients in the aftermath of the hack, the company offered free credit monitoring and identity-theft protection. On September 15, 2017, the company's chief information officer and chief of security retired. On September 26, 2017, the CEO resigned, days before he was to testify before Congress about the breach. To date, numerous government investigations and hundreds of private lawsuits have been filed as a result of the hack.

- a) Which elements illustrate acting legally but not ethically?. **(6Marks)**
- b) What would acting ethically and with personal integrity in this situation look like. **(6Marks)**
- c) How do you think this breach will affect Equifax's position relative to those of its competitors? **(6Marks)**
- d) How might it affect the future success of the company. **(6Marks)**
- e) Was it sufficient for Equifax to offer online privacy protection to those whose personal information was hacked? **(6Marks)**

**QUESTION TWO (20 MARKS)**

- a) Social responsiveness is the ability of a corporation to relate its operation and policies to the environment in ways that are mutually beneficial to the company and society. Explain the argument against social responsibility. (10Marks)
- b) Discuss steps in developing code of conduct. (10Marks)

**QUESTION THREE (20 MARKS)**

- a) Gifts and entertainment can be used to reward and encourage behaviour from employees and cause a conflict of interest. In extreme cases gifts and entertainment can be equivalent to bribes. Explain factors to consider whether gifts and entertainment are not appropriate. (10Marks)
- b) Explain moral realism. (10Marks)

**QUESTION FOUR (20 MARKS)**

- a) Discuss unethical issues in organizations. (6Marks)
- b) Explain moral implications of various personnel policies and policies. (7Marks)
- c) Employees have various moral decisions to make. Many of these decisions should be made on the basis of our moral obligations; sometimes the morally preferable action could require courage and performed beyond the call of duty. Discuss. (7Marks)

**QUESTION FIVE (20 MARKS)**

- a) Discuss the nature of moral rights and responsibilities in workplace. (10Marks)
- b) Explain the advantages of managing ethics in workplace. (10Marks)