

## 2

1. According to the textbook, which of the following would best fit the definition of a socially responsible business?
  - A. has managers who make choices and take actions that will contribute to the welfare of society as well as to those of the organization
  - B. serves its customers in a profitable and lawful manner
  - C. serves its customers and employees in an ethical and lawful manner
  - D. encourages managers to monitor the off-duty behaviour of employees
  - E. pursues profits only as a short run objective
  
2. Which of the following terms describe any group that has an indirect or direct interest in a particular business?
  - A. investors
  - B. stakeholder
  - C. proxy group
  - D. legal representative
  - E. input provider

3. Which of the following groups could be classified as stakeholders in a computer software company?
- A. Customers
  - B. Employees
  - C. Owners
  - D. Local, provincial, and federal governments
  - E. All of these are stakeholders
4. The textbook identifies several main areas of responsibility organizations have to the various groups who have an interest in its activities. Which of the following is NOT one of those areas of responsibility?
- A. economic
  - B. discretionary
  - C. ethical
  - D. legal
  - E. technical

5. Mary is a manager of a small Vancouver based manufacturing company. She manages a business that respects the rights and interests of her workers by being fair and impartial in her decision making process. Which of the following terms best describes Mary's approach to management?

- A. approachable
- B. ethical
- C. goal oriented
- D. following "the letter of the law"
- E. Amoral

6. Which of the following statements about an organization's social responsibilities is true?

- A. A business has no economic responsibility to stay in business and make a profit.
- B. Discretionary responsibilities are involuntary.
- C. Local town councils, provincial government, and federal regulatory agencies impose ethical responsibilities.
- D. Legal responsibility defines what society deems as important with respect to appropriate corporate behaviour.
- E. Discretionary responsibility is the lowest criterion of social responsibility.

7. Which of the following statements about an organization's social responsibilities is true?
- A. Ethical responsibilities are imposed by local town councils, provincial government, and federal regulatory agencies.
  - B. Discretionary responsibilities include responsibilities that are usually codified into law.
  - C. Legal responsibilities are guided by a company's desire to make social contributions to the community.
  - D. A business has an economic responsibility to stay in business and make a profit.
  - E. Economic responsibility is the highest criterion of social responsibility.
8. Many people believe that businesses should go beyond the social responsibilities mandated by economics, law, or ethics. A Toronto based Credit Union decides to donate 10% of its pre-tax earnings to a local not-for-profit organization that restores inner city parks. Which of the following terms embodies the Credit Union's social responsibility commitment?
- A. self-disciplined
  - B. discriminatory
  - C. proxy mandate
  - D. discretionary
  - E. derived

9. Which of the following would be classified as the highest criterion of social responsibility?
- A. self-disciplined
  - B. environmental
  - C. designated
  - D. discretionary
  - E. moral
10. You have been asked by your management team to put together a list of activities an organization could undertake to demonstrate its commitment to social responsibility. Which of the following choice(s) would be appropriate to include in your list?
- A. strive to make profits on an ongoing basis
  - B. admit mistakes
  - C. take public stands on social issues
  - D. monitor the social environment
  - E. All of the following choices are correct
11. Which of the following actions can a corporation do to demonstrate social responsibility?
- A. Avoid taking corrective action before it is required.
  - B. Evade taking public stands on social issues.
  - C. Strive to make profits on an ongoing basis.
  - D. Avoid publicity concerning any socially damaging mistakes.
  - E. None of these actions demonstrates social responsibility.

12. Two major influences on the ethical behaviour of sales personnel are:

- A. the organization's employees and the culture of the organization
- B. the organization's production and finance departments
- C. internal and external organizational environments
- D. national and international policies
- E. the organization's customers and stockholders

13. Dennis works as a sales representative for a tractor manufacture. The particular line of tractors he sells is of high quality; however, it has an expensive service schedule that increases operating costs. Dennis's employer insists that all sales include a signed agreement from the customer acknowledging that the sales person has provided this information to the customer. Dennis follows this sales process only because if he does not, he will be fired. Which of the following moral development levels best describes Dennis?

- A. principled
- B. consensual
- C. conventional
- D. discretionary
- E. preconventional

14. Alison considers herself a responsible person. She upholds moral and legal laws and conforms to the expectations of others. Alison is functioning at what level of moral development?

- A. consensual
- B. principled
- C. conventional
- D. discretionary
- E. preconventional

15. "I don't care what the boss said. It's wrong and I'm not going to do it. If I get fired, then that's just the way it will have to be." The salesperson who just made this statement to a co-worker is apparently working at what level of moral development?

- A. non-discriminatory
- B. principled
- C. conventional
- D. consensual
- E. preconventional

16. Most salespeople operate at what level of moral development?

- A. consensual
- B. principled
- C. conventional
- D. discretionary
- E. responsive

17. Which of the following statements/questions best captures the "spirit" of the "Golden rule"?

- A. "taking corrective action when required by law"
- B. "avoiding public stands on social issues"
- C. "what is the right thing to do?"
- D. "what are the minimum requirements of the contract?"
- E. "when in Rome, do as the Romans do"

18. Amanda, who majored in English education, has just been hired for a sales position with a large consumer products company that expects its salespeople to exhibit ethical behaviour. Amanda has asked you what ethical behaviour is. Which of the following would you include in your answer to Amanda?

- A. being loyal to your employer
- B. being honest
- C. following the rules
- D. giving 100 percent effort to your work
- E. all of the choices are correct



19. Which of the following statements about ethical dilemmas is true?

- A. Ethical dilemmas occur because many ethical standards are not codified.
- B. Friends are never the cause of an ethical dilemma.
- C. Cultural differences between different parts of the world are never the source of ethical dilemmas.
- D. Ethical dilemmas do not occur when right and wrong cannot be clearly identified.
- E. Ethical dilemmas do not occur when a person must choose among alternative choices or behaviours--all of which have unethical elements.

20. According to the text, which of the following is NOT an example of ethical considerations faced by a sales manager?

- A. level of sales pressure to place on a salesperson
- B. whether to be honest with a salesperson
- C. the salesperson's relationship with his or her spouse
- D. employees' rights
- E. decisions concerning a salesperson's territory

21. Brett is a commission salesperson whose territory for the last three years has been the entire province of Alberta. Through hard work he has greatly increased his company's business in the province. Now her manager has decided to split the state into two territories. Brett can expect:
- A. to be given several new "key accounts" to sell to
  - B. an increase in his earnings
  - C. a decrease in his earnings
  - D. to keep all the customers he had before this management decision
  - E. to be fired for his poor past performance
22. John worked his assigned territory building up an impressive portfolio of wholesale customers. Last year, his company decided to restructure and changed assigned sales territories. In this process, some of John's accounts were reclassified as "house accounts." Which of the following statements best describes the term "house account"?
- A. mall account that a salesperson typically handles by telephone from his or her home
  - B. wholesale account located in the same city as the salesperson's place of residence
  - C. term used to describe accounts for items that are straight-rebuy
  - D. wholesale account that the salesperson asks the sales manager to remove from his or her territory, usually because of its low volume
  - E. large account handled by someone from the home office or a key account salesperson

23. Which of the following is NOT identified in the textbook as an example of an organization practicing corporate social responsibility?

- A. helping establish industry wide standards of conduct
- B. making the environment a top priority
- C. creating and leveraging an internal code of conduct
- D. taking positions of social issues
- E. having little or no concern for the organization's financial position

24. The text identifies several benefits associated with organizations that undertake a proactive approach towards creating an employment environment that is discrimination free. Which of the following are benefits employers may receive if a discrimination free environment is supported by senior management?

- A. an image as a good employer
- B. reduced legal fees
- C. high quality work environment
- D. lower turnover
- E. all of the choices are correct

25. Which of the following would be an example of a salesperson who is moonlighting unethically?
- A. a computer software salesperson taking a weekend MBA program
  - B. a restaurant equipment salesperson who tries to sell vacation real estate to some of his or her present customers
  - C. a pharmaceutical salesperson who sells antiques on the Internet
  - D. a fire equipment salesperson who demonstrates her equipment to prospects by setting real fires
  - E. a retail sales clerk who tells his wife when store sales are scheduled before they are announced to the public
26. Kiely Hall is a salesperson who is enrolled in a night MBA program. From time to time, he takes off most of the day before his night class meets in order to prepare assignments that are due that evening without receiving permission from his employer. Which of the following terms best describes Kiely's actions?
- A. guilty of misrepresentation
  - B. misusing company assets
  - C. cheating
  - D. moonlighting
  - E. acting quite ethically

27. Which of the following statements about bribery is true?

- A. At times, there is a thin line between good business and misusing a bribe or gift
- B. Commission salespeople cannot be placed in a position where they might be tempted to pay a bribe.
- C. The difference between a business gift and a bribe is quite clear.
- D. Most companies allow their buyers to take small gifts (less than \$20) from salespeople.
- E. Bribes always involve money.

28. According to the textbook, which of the following internal policies are likely to reduce the level of judgment needed to operate within acceptable gift receiving framework on the part of buyers?

- A. prohibit their buyers from receiving any gifts from salespeople
- B. lavish gifts to from salespeople are not allowed
- C. accept the gift only if the offer was initiated by the salesperson.
- D. gifts with values below \$250.00 are almost always allowed
- E. accept the gift if it makes the salesperson happy

29. Which of the following statements, if false and made by a salesperson to an individual who bought the product(s) being sold, would be most likely to have legal consequences?

- A. "You're going to love this new mattress!"
- B. "We are the metropolitan area's low price leader."
- C. "We offer a 100 percent order-fill rate. You'll never experience a back-order."
- D. "Our employees have extensive training in how to pamper our customers."
- E. "Your own mother can't care for you as well as our staff!"

30. Which of the following statements about misrepresentation is true?

- A. When salespeople loosely describe their product or service in glowing terms, those statements can be relied upon by the potential buyer.
- B. Generally, the more knowledgeable the customer, the greater the chances the court will interpret an incorrect statement by a salesperson as an actionable misrepresentation.
- C. When a salesperson makes claims of a "factual nature" regarding a service's inherent capabilities, the law does not treat these comments as statements of fact and warranties.
- D. A salesperson's opinion as the quality of the product being sold is known as sales puffery, and is legally actionable.
- E. Even if the salesperson misrepresentation statement is made innocently, most courts will award damages to the customer.

31. Which of the following product claims is an example of a statement that if made by a salesperson would have legally actionable consequences if the statement were incorrect.

- A. "This is a safe, dependable heating furnace."
- B. "This refrigerator will preserve foods in the warmest weather."
- C. "Feel free to prescribe this drug to your patients, doctor. It's non-addicting."
- D. "This tent will keep you warm in temperatures of 40 degrees below zero."
- E. All of the choices are correct

32. Monroe is a little worried about all the talk he's heard recently about lawsuits due to misrepresentation and breach of warranty. To help him "stay legal," you advise him to:
- A. be accurate when describing your product's capabilities
  - B. thoroughly educate all customers before making a sale
  - C. avoid making exaggerated claims about product safety
  - D. know the technical specifications of the products you sell
  - E. all of the choices are correct
33. Price discrimination is covered by the Competition Act and exists when certain conditions can be proven. Which of the following would not be one such condition?
- A. a discount, rebate, allowance, price concession, or other advantage was granted to one customer and not to another
  - B. the price discrimination occurred in respect of articles of similar quality and quantity
  - C. customer feels you are not providing quick enough service and finds it difficult to contact you
  - D. the customers are competitors
  - E. you offer such a unique product that it may be classified as a monopoly

34. A salesperson makes the following statement to a plant nursery retailer, "I'll sell you Southview Sphagnum peat moss only if you'll sell Greenway grass seeds, too." Under the Competition Act, this statements describes which of the following terms?

- A. misrepresentation
- B. a tie-in sale
- C. reciprocal selling
- D. a cooling off period
- E. discriminatory selling

35. Manufacture XYZ requires that its wholesalers and retailers buy merchandise only from it. These types of agreements may be deemed illegal under the Competition Act under a specific circumstance. Which of the following terms best describes the aforementioned agreement between XYZ and its wholesalers?

- A. exclusive dealership
- B. reciprocity
- C. product discrimination
- D. deceptive slotting
- E. price discrimination



36. "I'll tell you what," said Brodie Wilson. "I'll buy all my paper supplies from your company if you'll make sure your people buy all their cleaning supplies from my firm." Which term best describes what Wilson is proposing?

A. a reverse service/sales agreement

B. reciprocity

C. a tie-in sale

D. price bartering

E. discriminatory selling

37. Peter Lau sells roof replacements via door-to-door sales calls. His average roof replacing services cost \$10,000.00. He just sold Mary, a homeowner, a full replacement package for which she provided a 20% down payment. Under legislature available across Provinces in Canada, Mary has ten days to cancel the contract without any negative consequences. What term describes this ten day period?

A. reciprocity period

B. exclusive contract period

C. unbundling period

D. cooling-off period

E. ten day quality assurance period

38. Which of the following statements apply in British Columbia if you undertake to sell goods and services door-to-door?

- A. holds salespeople legally responsible if the items they sell damage the environment
- B. allows car dealers to charge different prices to different consumers provided they advertise "make your own best deal"
- C. requires persons selling directly to consumers to pay a license fee and be licensed by the city unless the sellers are also residents of the city in which they are doing business
- D. states that if asked by a consumer, a door-to-door salesperson must show the documented laboratory evidence to support product performance claims
- E. was first introduced after complaints about Mary Kay sales people making calls on residents.

39. Which of the following statements about the international side of ethics is true?

- A. A salesperson competing in a foreign country will NOT find him or herself competing with foreign companies who are allowed to do things considered unethical by Canadian standards.
- B. Those parts of the world that don't conform to Canadian ethical standards are limited to just three geographic areas.
- C. The vast majority of international companies do NOT have high ethical standards.
- D. Ethics related to employees and community are never difficult to understand when doing business in another country.
- E. None of these statements are true.

40. Which of the following have been identified in the text as factors that influence business ethics?
- A. the employee's superior
  - B. the need to meet job goals
  - C. whether the person dealt with is a friend
  - D. the company's culture
  - E. all of these may influence business ethics
41. To foster a climate that encourages ethical behaviour by the sales force, management should do which of the following?
- A. establish an ethical committee
  - B. be sure that members of top management behave ethically
  - C. ensure individuals' goals are achievable
  - D. develop control systems
  - E. which will be the correct answer and which reads: all of these are important ways to establish a climate of ethical behaviour.
42. Which of the following best captures the notion of developing a formal statement of a company's values concerning ethics and social issues?
- A. social covenant
  - B. tying agreement
  - C. law of fairness
  - D. code of ethics
  - E. an ombudsman ethics statement

43. You work for an organization that decides to undertake a change in their approach to business ethics. As you carefully reflect on variables that shape ethical business behaviour, which of the following would NOT warrant much attention from you?

- A. the way employees are compensated
- B. senior managements' actions and words
- C. how salespeople are promoted
- D. your selection process
- E. your competitors approach to ethics

44. Which of the following best describes the role of an ethical ombudsman at a Canadian Organization?

- A. interacts with the organizational stakeholders on a daily basis
- B. writes the company's code of ethics
- C. is also called a whistle-blower
- D. handles all negative publicity for an organization
- E. is an official who assumes the role of corporate conscience

45. Joey observed one of the other salespeople at her firm giving a client expensive Vancouver Canucks hockey tickets. She is sure the tickets were intended as a bribe for a large order the customer was about to place with the company. If Joey reports this activity to her supervisor, what specific role would Joey be displaying?
- A. reciprocity
  - B. a non-team player
  - C. whistle-blowing
  - D. consensual reporting
  - E. ethical declarations of wrongdoing
46. According to the text, what is the single most important factor in improving the climate for ethical behaviour in a sales force?
- A. the actions taken by top management
  - B. writing an ethical code of conduct
  - C. effective goal-setting programs
  - D. quick disciplinary action against offenders
  - E. the development of training seminars on ethical practices and procedures
47. Which of the following would be considered unethical behaviour by a salesperson.
- A. Moonlighting
  - B. Cheating
  - C. Misusing company assets
  - D. Stealing Technology
  - E. All of these would be examples of unethical behaviour.

48. Alex has been tasked to provide his company with possible outcomes that management may apply to sales personnel that have been found to use unethical business practices. Which of the following are NOT effective approaches which will serve to decrease unethical behaviour by sales personnel?

- A. demotion
- B. withholding of commission pay-outs
- C. dismissal
- D. re-train
- E. suspension

49. Lucas sells athletic clothing for a major clothing manufacturer. His buddy owns a local retail store so Lucas agrees to give him a further 10% discount so that he can compete better in his city. Which of the following terms best describes Lucas' action?

- A. Consumer protection
- B. Exclusive dealing
- C. Reciprocity
- D. Price discrimination
- E. Nothing that most salespeople wouldn't do

50. Hoda, a sales manager for a large machinery fabricator, has found over the last few years that her sales staff has been engaging in an increasing number of shady sales practices that are inconsistent with her way of thinking and the company's overall mission statement. Which of the following actions are likely to lead to improved ethical behaviour on the part of her sales force?

- A. Stop worrying about it as sales have been increasing drastically
- B. Establish a formal code of ethics for her company and enforce it
- C. Find out the worst offenders and fire them immediately
- D. Redefine sales territories with an eye to reduce the number of sales territories
- E. Attempt to determine if those practices are in line with industry norms

51. Many sales practices in Canada are legally governed by which of the following bodies?

- A. Federal Government
- B. Provincial Consumer Associations
- C. Trade Associations representing national wholesalers and retailers
- D. Canadian Professional Sales Association
- E. Sales practices are not governed at all.

52. An organization's four main types of responsibilities relating to its stakeholders include all of the following except?

- A. ethical
- B. discretionary
- C. economic
- D. legal
- E. financial

53. Which of the following demonstrates social responsibility?
- A. working with affected constituents to resolve mutual problems
  - B. maximizing profits while decreasing expenses
  - C. ignoring pollution problems to cut expenses
  - D. laying off employees to maximize profits
  - E. keeping mistakes private to avoid public panic
54. Which of the following is normally associated with organizations that take a socially responsible approach to business?
- A. tend to reap financial benefits in the short term
  - B. their brands often is impacted negatively in the mid and long term
  - C. tend to attract a very narrow market segment that is socially conscientious, hence, impacting sales negatively
  - D. operating costs tend to increase vis-à-vis less socially conscientious competitors
  - E. are viewed negatively in the markets they serve
55. Canada's human rights legislation prohibits denial of employment for a broad range of variables. Which of the following variables are impacted by discrimination legislation?
- A. Age
  - B. Gender
  - C. Physical disability
  - D. Religion
  - E. All of these choices are correct



56. Parmir was determined to win the annual summer sales contest in his company. The sales representative with the top sales volume during the month of July would win a trip to Hawaii. Parmir had several thousand dollars in orders from June that he had not processed yet so, he decided to delay their processing until July. Which unethical practice is Parmir engaged in?

- A. cheating
- B. moonlighting
- C. fraud
- D. deception
- E. lying to customers

57. The notion of corporate social responsibility is easy to understand.

True False

58. Stakeholder is a term used to describe groups inside the organization who have a stake in its performance, while stockholder is a term used to describe groups outside the firm who have an interest in its performance.

True False

59. Businesses wanting to generate profits and the notion of serving society are not mutually exclusive.

True False

60. According to the text, over the next ten years, rising global unemployment will cause society to reduce its expectations for corporations to act with social responsibility.

True False

61. The textbook explicitly suggest organizations should wait for issues to surface from a social responsibility perspective before acting.

True False

62. Social responsibility is defined by the text as principles of right or good conduct, or a body of such principles.

True False

63. Legal and ethical issues are synonymous.

True False

64. Simply put, ethical behaviour refers to treating others fairly.

True False

65. Company ABC Ltd has an outstanding loan with a large Canadian Bank. Based on this scenario, the Canadian Bank is one of ABC's stakeholders.

True False

66. If management decides to increase the number of territories in a province, there is a possibility the earnings of the salespeople working there will decrease.

True False

67. Candace is a commission salesperson for a college textbook publisher. Her territory is Nova Scotia. Management at Candace's firm has decided to increase the number of territories in the province. Candace should be excited about the opportunity this presents for her to earn more money.

True False

68. A sales person at the conventional moral development level will often ask himself/herself the following question: "What am I legally required to do?"

True False

69. If a salesperson has a drug or alcohol problem that is bad enough to require professional help, the appropriate action of the sales manager is to remove the individual from his or her territory.

True False

70. Although discrimination on the basis of a person's sex is illegal, there are no laws against sexual harassment.

True False

71. Canada's human rights legislation prohibits the denial of employment on the basis of marital status.

True False

72. Employees will on occasion misuse company assets. The best strategy to deal with this issue is to apply strong punitive consequences after the misuse happens.

True False

73. In order to motivate a buyer John, a sales representative, knowingly embellished the actual performance of his product. Because of the notion of "buyer be aware," the buyer has no legal recourse when the product fails to meet John's embellished statements.

True False

74. It is easy to distinguish between a gift and a bribe.

True False

75. A salesperson who exaggerates about product capabilities may be guilty of misrepresentation.

True False

76. The majority of transactions in which a Canadian sales representative participates fall within the scope of the Sale of Goods Act.

True False

77. Peter writes a weekly newsletter profiling Canadians in industry. Last week, Peter wrote a column in which he claimed Mary Jones lied on her employment application. At a later date, it was determined that the information Mary provided in her application was factual. Peter has committed an act of slander; hence, may be exposed to legal action by Mary.

True False

78. Hamilton Plastics Company requires anyone who wants to use its product to purchase only from it. This contractual arrangement is called an exclusive dealership and if it lessens competition it is illegal under the Competition Act.

True False

79. Code of Conduct documents are almost always written by individuals holding the position of ethical ombudsman

True False

80. Operating an ethical organization requires simply that organizations provide employees with the required training on the broad topics associated with ethical business practices.

True False

81. Define social responsibility and how social responsibility may in fact be a factor that enhances corporate performance. Provide an example.
82. List and discuss major influences on the ethical behaviour of sales personnel and how the level of moral development of employees potentially shapes their behaviour to specific ethical situations.
83. At what level of moral development do most people operate? What potential variables shape an individual's moral development?

84. What complaint could be lodged against a salesperson who claimed that if you bought the mattress she was selling, you would never have any more backaches? As the manager of that mattress company, what would you do to decrease the likelihood of a similar complaint happening in the future?

85. What are the two types of codes of ethics?

86. What is the single most important factor in improving the climate for ethical behaviour in a sales force? Why?





## 2 Key

1. According to the textbook, which of the following would best fit the definition of a socially responsible business?

- A. has managers who make choices and take actions that will contribute to the welfare of society as well as to those of the organization
- B. serves its customers in a profitable and lawful manner
- C. serves its customers and employees in an ethical and lawful manner
- D. encourages managers to monitor the off-duty behaviour of employees
- E. pursues profits only as a short run objective

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #1*

*Learning Objective: 02-02 Describe managements social responsibilities.*

2. Which of the following terms describe any group that has an indirect or direct interest in a particular business?

- A. investors
- B. stakeholder
- C. proxy group
- D. legal representative
- E. input provider

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #2*

3. Which of the following groups could be classified as stakeholders in a computer software company?
- A. Customers
  - B. Employees
  - C. Owners
  - D. Local, provincial, and federal governments
  - E. All of these are stakeholders

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #3*

*Learning Objective: 02-02 Describe managements social responsibilities.*

4. The textbook identifies several main areas of responsibility organizations have to the various groups who have an interest in its activities. Which of the following is NOT one of those areas of responsibility?
- A. economic
  - B. discretionary
  - C. ethical
  - D. legal
  - E. technical

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #4*

*Learning Objective: 02-02 Describe managements social responsibilities.*

5. Mary is a manager of a small Vancouver based manufacturing company. She manages a business that respects the rights and interests of her workers by being fair and impartial in her decision making process. Which of the following terms best describes Mary's approach to management?

A. approachable

**B. ethical**

C. goal oriented

D. following "the letter of the law"

E. Amoral

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #5*

*Learning Objective: 02-02 Describe managements social responsibilities.*

6. Which of the following statements about an organization's social responsibilities is true?

A. A business has no economic responsibility to stay in business and make a profit.

B. Discretionary responsibilities are involuntary.

C. Local town councils, provincial government, and federal regulatory agencies impose ethical responsibilities.

**D. Legal responsibility defines what society deems as important with respect to appropriate corporate behaviour.**

E. Discretionary responsibility is the lowest criterion of social responsibility.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #6*

*Learning Objective: 02-02 Describe managements social responsibilities.*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

7. Which of the following statements about an organization's social responsibilities is true?
- A. Ethical responsibilities are imposed by local town councils, provincial government, and federal regulatory agencies.
  - B. Discretionary responsibilities include responsibilities that are usually codified into law.
  - C. Legal responsibilities are guided by a company's desire to make social contributions to the community.
  - D. A business has an economic responsibility to stay in business and make a profit.
  - E. Economic responsibility is the highest criterion of social responsibility.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #7*

*Learning Objective: 02-02 Describe managements social responsibilities.*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

8. Many people believe that businesses should go beyond the social responsibilities mandated by economics, law, or ethics. A Toronto based Credit Union decides to donate 10% of its pre-tax earnings to a local not-for-profit organization that restores inner city parks. Which of the following terms embodies the Credit Union's social responsibility commitment?
- A. self-disciplined
  - B. discriminatory
  - C. proxy mandate
  - D. discretionary
  - E. derived

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #8*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

9. Which of the following would be classified as the highest criterion of social responsibility?
- A. self-disciplined
  - B. environmental
  - C. designated
  - D. discretionary
  - E. moral

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #9*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

10. You have been asked by your management team to put together a list of activities an organization could undertake to demonstrate its commitment to social responsibility. Which of the following choice(s) would be appropriate to include in your list?
- A. strive to make profits on an ongoing basis
  - B. admit mistakes
  - C. take public stands on social issues
  - D. monitor the social environment
  - E. All of the following choices are correct

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #10*

*Learning Objective: 02-02 Describe managements social responsibilities.*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

11. Which of the following actions can a corporation do to demonstrate social responsibility?
- A. Avoid taking corrective action before it is required.
  - B. Evade taking public stands on social issues.
  - C. Strive to make profits on an ongoing basis.
  - D. Avoid publicity concerning any socially damaging mistakes.
  - E. None of these actions demonstrates social responsibility.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #11*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

12. Two major influences on the ethical behaviour of sales personnel are:
- A. the organization's employees and the culture of the organization
  - B. the organization's production and finance departments
  - C. internal and external organizational environments
  - D. national and international policies
  - E. the organization's customers and stockholders

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #12*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

13. Dennis works as a sales representative for a tractor manufacture. The particular line of tractors he sells is of high quality; however, it has an expensive service schedule that increases operating costs. Dennis's employer insists that all sales include a signed agreement from the customer acknowledging that the sales person has provided this information to the customer. Dennis follows this sales process only because if he does not, he will be fired. Which of the following moral development levels best describes Dennis?

- A. principled
- B. consensual
- C. conventional
- D. discretionary
- E. preconventional

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #13*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

14. Alison considers herself a responsible person. She upholds moral and legal laws and conforms to the expectations of others. Alison is functioning at what level of moral development?

- A. consensual
- B. principled
- C. conventional
- D. discretionary
- E. preconventional

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #14*

15. "I don't care what the boss said. It's wrong and I'm not going to do it. If I get fired, then that's just the way it will have to be." The salesperson who just made this statement to a co-worker is apparently working at what level of moral development?

- A. non-discriminatory
- B. principled**
- C. conventional
- D. consensual
- E. preconventional

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #15*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

16. Most salespeople operate at what level of moral development?

- A. consensual
- B. principled
- C. conventional**
- D. discretionary
- E. responsive

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #16*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*



17. Which of the following statements/questions best captures the "spirit" of the "Golden rule"?
- A. "taking corrective action when required by law"
  - B. "avoiding public stands on social issues"
  - C. "what is the right thing to do?"
  - D. "what are the minimum requirements of the contract?"
  - E. "when in Rome, do as the Romans do"

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #17*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

18. Amanda, who majored in English education, has just been hired for a sales position with a large consumer products company that expects its salespeople to exhibit ethical behaviour. Amanda has asked you what ethical behaviour is. Which of the following would you include in your answer to Amanda?

- A. being loyal to your employer
- B. being honest
- C. following the rules
- D. giving 100 percent effort to your work
- E. all of the choices are correct

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #18*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

19. Which of the following statements about ethical dilemmas is true?
- A. Ethical dilemmas occur because many ethical standards are not codified.
  - B. Friends are never the cause of an ethical dilemma.
  - C. Cultural differences between different parts of the world are never the source of ethical dilemmas.
  - D. Ethical dilemmas do not occur when right and wrong cannot be clearly identified.
  - E. Ethical dilemmas do not occur when a person must choose among alternative choices or behaviours--all of which have unethical elements.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #19*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

20. According to the text, which of the following is NOT an example of ethical considerations faced by a sales manager?
- A. level of sales pressure to place on a salesperson
  - B. whether to be honest with a salesperson
  - C. the salesperson's relationship with his or her spouse
  - D. employees' rights
  - E. decisions concerning a salesperson's territory

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #20*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

21. Brett is a commission salesperson whose territory for the last three years has been the entire province of Alberta. Through hard work he has greatly increased his company's business in the province. Now her manager has decided to split the state into two territories. Brett can expect:
- A. to be given several new "key accounts" to sell to
  - B. an increase in his earnings
  - C. a decrease in his earnings
  - D. to keep all the customers he had before this management decision
  - E. to be fired for his poor past performance

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #21*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

22. John worked his assigned territory building up an impressive portfolio of wholesale customers. Last year, his company decided to restructure and changed assigned sales territories. In this process, some of John's accounts were reclassified as "house accounts." Which of the following statements best describes the term "house account"?
- A. mall account that a salesperson typically handles by telephone from his or her home
  - B. wholesale account located in the same city as the salesperson's place of residence
  - C. term used to describe accounts for items that are straight-rebuy
  - D. wholesale account that the salesperson asks the sales manager to remove from his or her territory, usually because of its low volume
  - E. large account handled by someone from the home office or a key account salesperson

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #22*

23. Which of the following is NOT identified in the textbook as an example of an organization practicing corporate social responsibility?

- A. helping establish industry wide standards of conduct
- B. making the environment a top priority
- C. creating and leveraging an internal code of conduct
- D. taking positions of social issues
- E. having little or no concern for the organization's financial position

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #23*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

24. The text identifies several benefits associated with organizations that undertake a proactive approach towards creating an employment environment that is discrimination free. Which of the following are benefits employers may receive if a discrimination free environment is supported by senior management?

- A. an image as a good employer
- B. reduced legal fees
- C. high quality work environment
- D. lower turnover
- E. all of the choices are correct

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #24*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

25. Which of the following would be an example of a salesperson who is moonlighting unethically?
- A. a computer software salesperson taking a weekend MBA program
  - B. a restaurant equipment salesperson who tries to sell vacation real estate to some of his or her present customers**
  - C. a pharmaceutical salesperson who sells antiques on the Internet
  - D. a fire equipment salesperson who demonstrates her equipment to prospects by setting real fires
  - E. a retail sales clerk who tells his wife when store sales are scheduled before they are announced to the public

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #25*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

26. Kiely Hall is a salesperson who is enrolled in a night MBA program. From time to time, he takes off most of the day before his night class meets in order to prepare assignments that are due that evening without receiving permission from his employer. Which of the following terms best describes Kiely's actions?
- A. guilty of misrepresentation
  - B. misusing company assets
  - C. cheating
  - D. moonlighting**
  - E. acting quite ethically

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #26*

27. Which of the following statements about bribery is true?
- A. At times, there is a thin line between good business and misusing a bribe or gift
  - B. Commission salespeople cannot be placed in a position where they might be tempted to pay a bribe.
  - C. The difference between a business gift and a bribe is quite clear.
  - D. Most companies allow their buyers to take small gifts (less than \$20) from salespeople.
  - E. Bribes always involve money.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #27*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

28. According to the textbook, which of the following internal policies are likely to reduce the level of judgment needed to operate within acceptable gift receiving framework on the part of buyers?

- A. prohibit their buyers from receiving any gifts from salespeople
- B. lavish gifts to from salespeople are not allowed
- C. accept the gift only if the offer was initiated by the salesperson.
- D. gifts with values below \$250.00 are almost always allowed
- E. accept the gift if it makes the salesperson happy

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #28*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

29. Which of the following statements, if false and made by a salesperson to an individual who bought the product(s) being sold, would be most likely to have legal consequences?

- A. "You're going to love this new mattress!"
- B. "We are the metropolitan area's low price leader."
- C. "We offer a 100 percent order-fill rate. You'll never experience a back-order."
- D. "Our employees have extensive training in how to pamper our customers."
- E. "Your own mother can't care for you as well as our staff!"

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #29*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

30. Which of the following statements about misrepresentation is true?

- A. When salespeople loosely describe their product or service in glowing terms, those statements can be relied upon by the potential buyer.
- B. Generally, the more knowledgeable the customer, the greater the chances the court will interpret an incorrect statement by a salesperson as an actionable misrepresentation.
- C. When a salesperson makes claims of a "factual nature" regarding a service's inherent capabilities, the law does not treat these comments as statements of fact and warranties.
- D. A salesperson's opinion as the quality of the product being sold is known as sales puffery, and is legally actionable.
- E. Even if the salesperson misrepresentation statement is made innocently, most courts will award damages to the customer.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #30*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

31. Which of the following product claims is an example of a statement that if made by a salesperson would have legally actionable consequences if the statement were incorrect.
- A. "This is a safe, dependable heating furnace."
  - B. "This refrigerator will preserve foods in the warmest weather."
  - C. "Feel free to prescribe this drug to your patients, doctor. It's non-addicting."
  - D. "This tent will keep you warm in temperatures of 40 degrees below zero."
  - E. All of the choices are correct

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #31*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

32. Monroe is a little worried about all the talk he's heard recently about lawsuits due to misrepresentation and breach of warranty. To help him "stay legal," you advise him to:
- A. be accurate when describing your product's capabilities
  - B. thoroughly educate all customers before making a sale
  - C. avoid making exaggerated claims about product safety
  - D. know the technical specifications of the products you sell
  - E. all of the choices are correct

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #32*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*



33. Price discrimination is covered by the Competition Act and exists when certain conditions can be proven. Which of the following would not be one such condition?
- A. a discount, rebate, allowance, price concession, or other advantage was granted to one customer and not to another
  - B. the price discrimination occurred in respect of articles of similar quality and quantity
  - C. customer feels you are not providing quick enough service and finds it difficult to contact you
  - D. the customers are competitors
  - E. you offer such a unique product that it may be classified as a monopoly

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #33*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

34. A salesperson makes the following statement to a plant nursery retailer, "I'll sell you Southview Sphagnum peat moss only if you'll sell Greenway grass seeds, too." Under the Competition Act, this statement describes which of the following terms?
- A. misrepresentation
  - B. a tie-in sale
  - C. reciprocal selling
  - D. a cooling off period
  - E. discriminatory selling

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #34*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

35. Manufacture XYZ requires that its wholesalers and retailers buy merchandise only from it. These types of agreements may be deemed illegal under the Competition Act under a specific circumstance. Which of the following terms best describes the aforementioned agreement between XYZ and its wholesalers?

- A. exclusive dealership
- B. reciprocity
- C. product discrimination
- D. deceptive slotting
- E. price discrimination

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #35*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

36. "I'll tell you what," said Brodie Wilson. "I'll buy all my paper supplies from your company if you'll make sure your people buy all their cleaning supplies from my firm." Which term best describes what Wilson is proposing?

- A. a reverse service/sales agreement
- B. reciprocity
- C. a tie-in sale
- D. price bartering
- E. discriminatory selling

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #36*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

37. Peter Lau sells roof replacements via door-to-door sales calls. His average roof replacing services cost \$10,000.00. He just sold Mary, a homeowner, a full replacement package for which she provided a 20% down payment. Under legislature available across Provinces in Canada, Mary has ten days to cancel the contract without any negative consequences. What term describes this ten day period?

- A. reciprocity period
- B. exclusive contract period
- C. unbundling period
- D. cooling-off period
- E. ten day quality assurance period

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #37*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

38. Which of the following statements apply in British Columbia if you undertake to sell goods and services door-to-door?
- A. holds salespeople legally responsible if the items they sell damage the environment
  - B. allows car dealers to charge different prices to different consumers provided they advertise "make your own best deal"
  - C. requires persons selling directly to consumers to pay a license fee and be licensed by the city unless the sellers are also residents of the city in which they are doing business
  - D. states that if asked by a consumer, a door-to-door salesperson must show the documented laboratory evidence to support product performance claims
  - E. was first introduced after complaints about Mary Kay sales people making calls on residents.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #38*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

39. Which of the following statements about the international side of ethics is true?
- A. A salesperson competing in a foreign country will NOT find him or herself competing with foreign companies who are allowed to do things considered unethical by Canadian standards.
  - B. Those parts of the world that don't conform to Canadian ethical standards are limited to just three geographic areas.
  - C. The vast majority of international companies do NOT have high ethical standards.
  - D. Ethics related to employees and community are never difficult to understand when doing business in another country.
  - E. None of these statements are true.

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #39*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

40. Which of the following have been identified in the text as factors that influence business ethics?
- A. the employee's superior
  - B. the need to meet job goals
  - C. whether the person dealt with is a friend
  - D. the company's culture
  - E. all of these may influence business ethics

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #40*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

41. To foster a climate that encourages ethical behaviour by the sales force, management should do which of the following?

- A. establish an ethical committee
- B. be sure that members of top management behave ethically
- C. ensure individuals' goals are achievable
- D. develop control systems
- E.** which will be the correct answer and which reads: all of these are important ways to establish a climate of ethical behaviour.

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #41*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

42. Which of the following best captures the notion of developing a formal statement of a company's values concerning ethics and social issues?

- A. social covenant
- B. tying agreement
- C. law of fairness
- D.** code of ethics
- E. an ombudsman ethics statement

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #42*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

43. You work for an organization that decides to undertake a change in their approach to business ethics. As you carefully reflect on variables that shape ethical business behaviour, which of the following would NOT warrant much attention from you?

- A. the way employees are compensated
- B. senior managements' actions and words
- C. how salespeople are promoted
- D. your selection process
- E. your competitors approach to ethics

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #43*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

44. Which of the following best describes the role of an ethical ombudsman at a Canadian Organization?

- A. interacts with the organizational stakeholders on a daily basis
- B. writes the company's code of ethics
- C. is also called a whistle-blower
- D. handles all negative publicity for an organization
- E. is an official who assumes the role of corporate conscience

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #44*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

45. Joey observed one of the other salespeople at her firm giving a client expensive Vancouver Canucks hockey tickets. She is sure the tickets were intended as a bribe for a large order the customer was about to place with the company. If Joey reports this activity to her supervisor, what specific role would Joey be displaying?

- A. reciprocity
- B. a non-team player
- C. whistle-blowing**
- D. consensual reporting
- E. ethical declarations of wrongdoing

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #45*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

46. According to the text, what is the single most important factor in improving the climate for ethical behaviour in a sales force?

- A. the actions taken by top management**
- B. writing an ethical code of conduct
- C. effective goal-setting programs
- D. quick disciplinary action against offenders
- E. the development of training seminars on ethical practices and procedures

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #46*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*



47. Which of the following would be considered unethical behaviour by a salesperson.
- A. Moonlighting
  - B. Cheating
  - C. Misusing company assets
  - D. Stealing Technology
  - E. All of these would be examples of unethical behaviour.

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #47*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

48. Alex has been tasked to provide his company with possible outcomes that management may apply to sales personnel that have been found to use unethical business practices. Which of the following are NOT effective approaches which will serve to decrease unethical behaviour by sales personnel?
- A. demotion
  - B. withholding of commission pay-outs
  - C. dismissal
  - D. re-train
  - E. suspension

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #48*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

49. Lucas sells athletic clothing for a major clothing manufacturer. His buddy owns a local retail store so Lucas agrees to give him a further 10% discount so that he can compete better in his city. Which of the following terms best describes Lucas' action?

- A. Consumer protection
- B. Exclusive dealing
- C. Reciprocity
- D. Price discrimination**
- E. Nothing that most salespeople wouldn't do

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #49*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

50. Hoda, a sales manager for a large machinery fabricator, has found over the last few years that her sales staff has been engaging in an increasing number of shady sales practices that are inconsistent with her way of thinking and the company's overall mission statement. Which of the following actions are likely to lead to improved ethical behaviour on the part of her sales force?

- A. Stop worrying about it as sales have been increasing drastically
- B. Establish a formal code of ethics for her company and enforce it**
- C. Find out the worst offenders and fire them immediately
- D. Redefine sales territories with an eye to reduce the number of sales territories
- E. Attempt to determine if those practices are in line with industry norms

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #50*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

51. Many sales practices in Canada are legally governed by which of the following bodies?

- A. Federal Government
- B. Provincial Consumer Associations
- C. Trade Associations representing national wholesalers and retailers
- D. Canadian Professional Sales Association
- E. Sales practices are not governed at all.

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #51*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

52. An organization's four main types of responsibilities relating to its stakeholders include all of the following except?

- A. ethical
- B. discretionary
- C. economic
- D. legal
- E. financial

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #52*

*Learning Objective: 02-02 Describe managements social responsibilities.*

53. Which of the following demonstrates social responsibility?

- A. working with affected constituents to resolve mutual problems
- B. maximizing profits while decreasing expenses
- C. ignoring pollution problems to cut expenses
- D. laying off employees to maximize profits
- E. keeping mistakes private to avoid public panic

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #53*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

54. Which of the following is normally associated with organizations that take a socially responsible approach to business?

- A. tend to reap financial benefits in the short term
- B. their brands often is impacted negatively in the mid and long term
- C. tend to attract a very narrow market segment that is socially conscientious, hence, impacting sales negatively
- D. operating costs tend to increase vis-à-vis less socially conscientious competitors
- E. are viewed negatively in the markets they serve

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #54*

*Learning Objective: 02-03 Explain how to demonstrate social responsibility.*

55. Canada's human rights legislation prohibits denial of employment for a broad range of variables. Which of the following variables are impacted by discrimination legislation?

- A. Age
- B. Gender
- C. Physical disability
- D. Religion
- E. All of these choices are correct

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #55*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

56. Parmir was determined to win the annual summer sales contest in his company. The sales representative with the top sales volume during the month of July would win a trip to Hawaii. Parmir had several thousand dollars in orders from June that he had not processed yet so, he decided to delay their processing until July. Which unethical practice is Parmir engaged in?

- A. cheating
- B. moonlighting
- C. fraud
- D. deception
- E. lying to customers

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #56*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

57. The notion of corporate social responsibility is easy to understand.

FALSE

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #57*

*Learning Objective: 02-02 Describe managements social responsibilities.*

58. Stakeholder is a term used to describe groups inside the organization who have a stake in its performance, while stockholder is a term used to describe groups outside the firm who have an interest in its performance.

FALSE

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #58*

*Learning Objective: 02-02 Describe managements social responsibilities.*

59. Businesses wanting to generate profits and the notion of serving society are not mutually exclusive.

TRUE

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #59*

*Learning Objective: 02-02 Describe managements social responsibilities.*

60. According to the text, over the next ten years, rising global unemployment will cause society to reduce its expectations for corporations to act with social responsibility.

FALSE

*Accessibility: Keyboard Navigation*

61. The textbook explicitly suggest organizations should wait for issues to surface from a social responsibility perspective before acting.

**FALSE**

62. Social responsibility is defined by the text as principles of right or good conduct, or a body of such principles.

**FALSE**

63. Legal and ethical issues are synonymous.

**FALSE**

64. Simply put, ethical behaviour refers to treating others fairly.

TRUE

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #64*

*Learning Objective: 02-02 Describe managements social responsibilities.*

65. Company ABC Ltd has an outstanding loan with a large Canadian Bank. Based on this scenario, the Canadian Bank is one of ABC's stakeholders.

TRUE

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #65*

*Learning Objective: 02-02 Describe managements social responsibilities.*

66. If management decides to increase the number of territories in a province, there is a possibility the earnings of the salespeople working there will decrease.

TRUE

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #66*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*



67. Candace is a commission salesperson for a college textbook publisher. Her territory is Nova Scotia. Management at Candace's firm has decided to increase the number of territories in the province. Candace should be excited about the opportunity this presents for her to earn more money.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #67*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

68. A sales person at the conventional moral development level will often ask himself/herself the following question: "What am I legally required to do?"

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #68*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

69. If a salesperson has a drug or alcohol problem that is bad enough to require professional help, the appropriate action of the sales manager is to remove the individual from his or her territory.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #69*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

70. Although discrimination on the basis of a person's sex is illegal, there are no laws against sexual harassment.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #70*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

71. Canada's human rights legislation prohibits the denial of employment on the basis of marital status.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #71*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

72. Employees will on occasion misuse company assets. The best strategy to deal with this issue is to apply strong punitive consequences after the misuse happens.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #72*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

73. In order to motivate a buyer John, a sales representative, knowingly embellished the actual performance of his product. Because of the notion of "buyer be aware," the buyer has no legal recourse when the product fails to meet John's embellished statements.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Hard*

*Futrell - Chapter 02 #73*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

74. It is easy to distinguish between a gift and a bribe.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #74*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

75. A salesperson who exaggerates about product capabilities may be guilty of misrepresentation.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: Easy*

*Futrell - Chapter 02 #75*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

76. The majority of transactions in which a Canadian sales representative participates fall within the scope of the Sale of Goods Act.

**TRUE**

*Accessibility: Keyboard Navigation*

77. Peter writes a weekly newsletter profiling Canadians in industry. Last week, Peter wrote a column in which he claimed Mary Jones lied on her employment application. At a later date, it was determined that the information Mary provided in her application was factual. Peter has committed an act of slander; hence, may be exposed to legal action by Mary.

**FALSE**

Accessibility: Keyboard Navigation

Difficulty: Hard

Futrell - Chapter 02 #77

Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.

78. Hamilton Plastics Company requires anyone who wants to use its product to purchase only from it. This contractual arrangement is called an exclusive dealership and if it lessens competition it is illegal under the Competition Act.

**TRUE**

Accessibility: Keyboard Navigation

Difficulty: Hard

Futrell - Chapter 02 #78

Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.

79. Code of Conduct documents are almost always written by individuals holding the position of ethical ombudsman

**FALSE**

Accessibility: Keyboard Navigation

Difficulty: Easy

Futrell - Chapter 02 #79

Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.

80. Operating an ethical organization requires simply that organizations provide employees with the required training on the broad topics associated with ethical business practices.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: Medium*

*Futrell - Chapter 02 #80*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

81. Define social responsibility and how social responsibility may in fact be a factor that enhances corporate performance. Provide an example.

Social responsibility is management's obligation to make choices and take actions that contribute to the welfare and interests of society as well as to those of the organization. Students should link social responsibility, stakeholders' interest, and profits. Example; by meeting expectations of customers with safe and reliable products, organizations gain product/service ambassadors who in turn refer other customers to an organization driving revenues and profits. Ideally, students in a class would come up with one example associated with each stakeholder group

*Difficulty: Medium*

*Futrell - Chapter 02 #81*

*Learning Objective: 02-02 Describe managements social responsibilities.*

82. List and discuss major influences on the ethical behaviour of sales personnel and how the level of moral development of employees potentially shapes their behaviour to specific ethical situations.

Employees and the organization itself - this could include a broad discussion on the culture/climate within the organization. Then, students should identify the three levels of moral development and how those levels to a certain degree shapes the behaviour of employees.

*Difficulty: Medium*

*Futrell - Chapter 02 #82*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

83. At what level of moral development do most people operate? What potential variables shape an individual's moral development?

The conventional level. Family, experiences, religion etc.

*Difficulty: Easy*

*Futrell - Chapter 02 #83*

*Learning Objective: 02-04 Explain what influences ethical behaviour.*

84. What complaint could be lodged against a salesperson who claimed that if you bought the mattress she was selling, you would never have any more backaches? As the manager of that mattress company, what would you do to decrease the likelihood of a similar complaint happening in the future?

Misrepresentation. Issue of control systems, management follow up, looking at sales people that consistently are number one (are they making claims that misrepresent the product?). Etc.

*Difficulty: Hard*

*Futrell - Chapter 02 #84*

*Learning Objective: 02-05 Describe managements role in addressing ethical responsibilities.*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

85. What are the two types of codes of ethics?

Principle-based statements and policy-based statements

*Difficulty: Easy*

*Futrell - Chapter 02 #85*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*

86. What is the single most important factor in improving the climate for ethical behaviour in a sales force? Why?

The action taken by top level managers. They serve as role models - do they "walk the talk"?

*Difficulty: Medium*

*Futrell - Chapter 02 #86*

*Learning Objective: 02-06 Discuss ethical dealings among salespeople; employers; and customers.*



## 2 Summary

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