JUNE 2012 EXAMINATION

DATE: 12 JUNE 2012
TIME: 09H00 – 11H00 TOTAL: 100 MARKS
DURATION: 2 HOURS PASS MARK: 40%

(TO-94)
BUSINESS ETHICS

THIS EXAMINATION PAPER CONSISTS OF 4 SECTIONS:

SECTION A: CONSISTS OF 10 MATCHING-STATEMENT QUESTIONS
ANSWER ALL THE QUESTIONS (10 MARKS)

SECTION B: CONSISTS OF 1 SHORT QUESTION
ANSWER THE QUESTION (10 MARKS)

SECTION C: CONSISTS OF 5 LONG ANSWER QUESTIONS
ANSWER ALL THE QUESTIONS (48 MARKS)

SECTION D: CONSISTS OF 1 INTERPRETATIVE QUESTION
ANSWER THE QUESTION (32 MARKS)

INSTRUCTIONS:

1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.
MATCHING-STATEMENT QUESTIONS

Match the statements in Column B to the terms in Column A. Write down the answers only, for example 1. (a).

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
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<tbody>
<tr>
<td>1. business</td>
<td>(a) enduring moral principles that are put in place to guide the company towards performing with integrity in pursuit of achieving its purposes and goals</td>
</tr>
<tr>
<td>2. ethics</td>
<td>(b) ability to convert assets into cash in order to meet current financial needs and obligations</td>
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<tr>
<td>3. mandate</td>
<td>(c) moral-ethical position that a person takes to guide his or her interaction with other people</td>
</tr>
<tr>
<td>4. strategic design</td>
<td>(d) favouritism shown to relatives or to people of the same ethnic orientation, political party, beliefs and association</td>
</tr>
<tr>
<td>5. care values</td>
<td>(e) an independent, cost-effective reviewing and reporting process carried out to facilitate the prevention, detection and investigation of corruption and commercial crime in the public sector</td>
</tr>
<tr>
<td>6. a leadership philosophy</td>
<td>(f) the process in which goods and services are voluntarily exchanged between parties at an agreed price</td>
</tr>
<tr>
<td>7. liquidity</td>
<td>(g) the authority to act for another</td>
</tr>
<tr>
<td>8. personal positioning</td>
<td>(h) personal moral values and principles that direct your life and form the ethical basis for personal behaviour and decision making with due respect to the environment</td>
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<td>9. nepotism</td>
<td>(i) consist of the leadership approaches judged by management at a specific point in time, to best direct and influence employees to achieve the organisations purpose, goals and objectives</td>
</tr>
<tr>
<td>10. forensic audit</td>
<td>(j) aimed at the design of an organisation in its totality and the essential elements comprising the organisation as a whole</td>
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QUESTION 1

Differentiate between the following concepts:

(a) Bribery and extortion (2)
(b) The profit and loss statement and the budget system (2)
(c) A vision and a mission (2)
(d) Idealised leadership and inspirational leaders (2)
(e) A regularity audit and a performance audit (2) [10]
SECTION C: LONG ANSWER QUESTIONS (48 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1
(a) Give the full definition of an 'objective'. (3)
(b) Describe the qualities of an organisation's objectives. (7) [10]

QUESTION 2
(a) List the aspects that should be built into a proposed international anti-corruption strategy. (8)
(b) Explain how advanced countries should lead the fight against corruption. (3) [11]

QUESTION 3
(a) Define a 'code of conduct'. (3)
(b) List three key aspects on which a code of conduct is based. (3)
(c) Give nine key aspects of a company's code of conduct. (9) [15]

QUESTION 4
Discuss the effect on governance and effective leadership when trust and credibility are undermined. [7]

QUESTION 5
Outline five factors that determine the quality of choices that an effective leader will make. [5] [48]
SECTION D: INTERPRETATIVE QUESTION (32 MARKS)

ANSWER THE QUESTION

QUESTION 1

'Purpose-directed thinking is one of the core characteristics of a mature leader.'

In view of the statement above, answer the following:

(a) Explain the principles of purpose-directed thinking to a newly appointed manager. (7)

(b) Outline five advantages of purpose-directed thinking. (5)

(c) Discuss the characteristics of purpose directed thinking. (8)

(d) Briefly describe the three steps in the purpose-directed thinking process. (3 × 2 = 6)

(e) Discuss the positive psychological effects of purpose-directed thinking. (6)

[32]