NOVEMBER 2012 EXAMINATION

DATE: 13 NOVEMBER 2012

TIME: 09H00 – 11H00 TOTAL: 100 MARKS

DURATION: 2 HOURS PASS MARK: 40%

(TO-94)

BUSINESS ETHICS

THIS EXAMINATION PAPER CONSISTS OF 3 SECTIONS:

SECTION A: CONSISTS OF:
(i) 10 MATCHING-STATEMENT QUESTIONS (10 MARKS)
(ii) 3 DEFINITION QUESTIONS (10 MARKS)

ANSWER ALL THE QUESTIONS

SECTION B: CONSISTS OF 5 QUESTIONS

ANSWER ALL THE QUESTIONS (49 MARKS)

SECTION C: CONSISTS OF 1 QUESTION

ANSWER THE QUESTION (31 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.
(i) 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>
</tr>
</thead>
<tbody>
<tr>
<td>1. globalisation</td>
<td>(a) the process that determines the relative importance of what has been designed and its importance in terms of impact on company business and in accordance with which resource allocation will take place</td>
</tr>
<tr>
<td>2. goals</td>
<td>(b) the process by which the formal responsibility and authority for pursuing a specific goal or activity of the company is given to a subordinate</td>
</tr>
<tr>
<td>3. Code of Conduct</td>
<td>(c) the immoral, insatiable lust for self-enrichment, and the sacrifice of anything and everyone in order to feed such a desire</td>
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<tr>
<td>4. organisation culture</td>
<td>(d) a process of radical change where that which previously guided and sustained people is changed or rejected over a short period of time</td>
</tr>
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<td>5. prioritisation</td>
<td>(e) refers to the way in which politicians position themselves, the way they behave, and the integrity and competence with which the government governs the country, setting the example for organisations, companies and individuals to follow</td>
</tr>
<tr>
<td>6. control</td>
<td>(f) refers to the current state of world development, in which the world is quickly integrating and becoming uniform financially, politically and culturally</td>
</tr>
<tr>
<td>7. delegation</td>
<td>(g) a set of principles that regulates corporate behaviour in terms of what is right and wrong, and of expected behaviour</td>
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<td>8. greed</td>
<td>(h) refers to open-ended long-term aims that a company must strive to achieve to fulfil its vision</td>
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<tr>
<td>9. transformation</td>
<td>(i) the way in which management identifies and deals with incompetent, unethical and corrupt conduct</td>
</tr>
<tr>
<td>10. ethical political conduct</td>
<td>(j) the unique collective expression of the value system and achievements of a particular organisation over a period of time</td>
</tr>
</tbody>
</table>
(ii) **DEFINITION QUESTIONS**

Define the following concepts:

(a) leadership philosophy  
(b) business strategy  
(c) forensic audit  

(3)  
(3)  
(4) [10]  

[20]
SECTION B (49 MARKS)

ANSWER ALL THE QUESTIONS

**QUESTION 1**
(a) Explain what regulating systems are. (4)
(b) Discuss the ethical principles that guide the regulating of systems (the ethical principles of regulating systems). (10) [14]

**QUESTION 2**
(a) Define 'the value system of an organisation'. (5)
(b) Identify the four general measures of a value system. (4) [9]

**QUESTION 3**
(a) Explain what a company's purpose is. (2)
(b) A company’s purpose statement should meet certain ethical standards. Describe these standards. (5) [7]

**QUESTION 4**
Explain what personal competence is made up of. [8]

**QUESTION 5**
(a) Briefly explain strategic design. (2)
(b) Name the three aspects of strategic design. (3)
(c) Briefly outline the three steps in the strategic design process. (3 × 2 = 6) [11] [49]
QUESTION 1

'Formal control is legislative control of interests of general concern, such as auditing. If you contravene formal control, you can be legally prosecuted.'

In light of the above statement, discuss the following:

(a) The Auditor-General's duty:
   i. in the public sector (3)
   ii. in the private sector (3)

(b) Identify the indications of possible corrupt behaviour that internal auditors should be aware of. (11)

(c) Explain the principles with which the process of auditing should comply. (14) [31]

[31]

Section A: 20 marks
Section B: 49 marks
Section C: 31 marks
TOTAL: 100 MARKS