



ADM 1301 B - Social Context of Business
Mid-Term Examination (Part 1 of 2)
October 2010
Professor: Matt Archibald

Instructions:

1. Complete **all** multiple choice questions on the scantron sheet provided. Please use a pencil to fill in the scantron.
2. Time limit is 80 minutes. Maximum of 40 marks.
3. Budget your time carefully.
4. You must sign the academic attestation below.

Student Name (please print): _____

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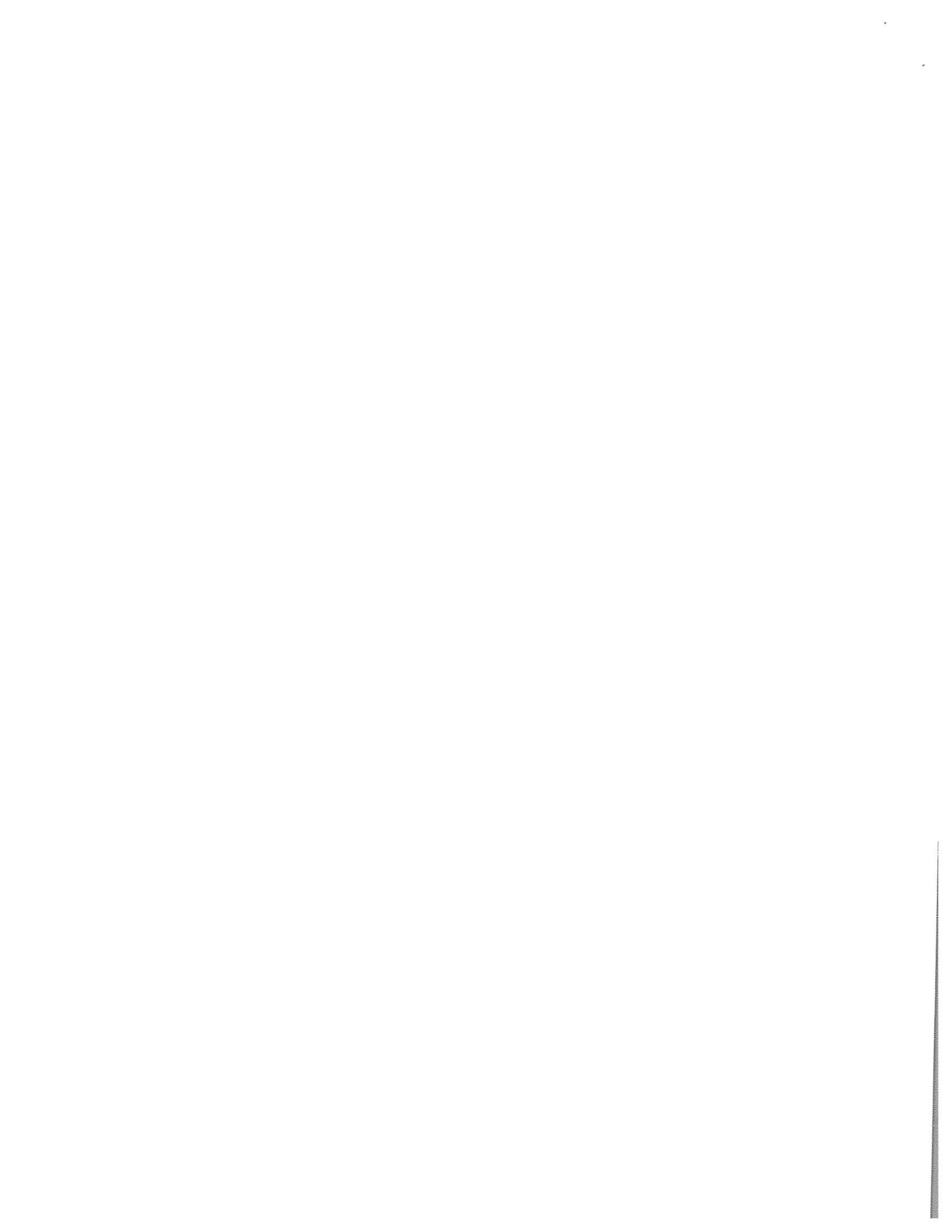
This work conforms to the rules on academic integrity of the University of Ottawa.

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Part I – Multiple Choice Questions (40 marks)

Please answer the following questions using the Scantron sheet provided. Answers that are in the exam booklet will not be graded.

1. Who is not a key stakeholder in Enron's corporate downfall?
 - A) Ken Lay
 - B) Jeff Skilling
 - C) the media
 - D) shareholders
 - E) all of the above are key stakeholders

2. Which one of the following is not a typical shareholder right?
 - A) capability to transfer ownership
 - B) share in profits of the corporation
 - C) voting of board of directors
 - D) access to annual reports
 - E) all of the above are shareholder rights

3. An NGO has developed an educational campaign to influence consumers. It is their hope that consumer pressure will slow the development of genetically modified food products. This NGO is engaged in what type of social issue?
 - A) Human rights
 - B) social development
 - C) economic
 - D) environment
 - E) technology

4. Jim had recently gone to his local food store as he usually did weekly. He noticed that the food store no longer carried his favorite brand of cookies. He was later told by the store owner that customers were not buying the product in sufficient quantities to justify continuing to stock the cookies. This is an example of which fundamental of capitalism?
 - A) consumer sovereignty
 - B) work ethic
 - C) economic freedom
 - D) competition
 - E) none of the above

5. Online technologies that people use to share opinions, experiences, and perspectives are commonly referred to as:
 - A) Facebook
 - B) the World Wide Web
 - C) social media
 - D) viral media
 - E) none of the above

6. Which one of the following is not a federal government central agency?
- A) The Privy Council Office
 - B) The Department of National Defence
 - C) The Department of Finance
 - D) The Treasury Board
 - E) all of the above are central agencies
7. Which one of the following is not an example of a provincial legislation power?
- A) natural resources
 - B) education
 - C) fisheries
 - D) prisons except federal penitentiaries
 - E) all of the above are under provincial power
8. XYZ Corporation decided to put all its workers on short-term contracts. It did this in order to avoid the possible necessity of paying out severances if it laid-off workers. The policy has garnered a lot of negative attention as certain stakeholders believe XYZ Corporation is being greedy. The critics in this case are stating that, _____ is negative.
- A) allocation of resources
 - B) self-interest
 - C) unemployment
 - D) business relationship
 - E) decentralization
9. A call centre on Cape Breton Island has recently decided to move their operations to Halifax, Nova Scotia. The employees of the call centre are dismayed and have asked their employer to reconsider. The call centre has indicated that they can relocate their business wherever they want. The call centre is asserting which element of capitalism?
- A) right to personal property
 - B) equality of opportunity
 - C) competition
 - D) individualism and economic freedom
 - E) none of the above
10. Recently, Canada announced that it had been operating under a trade deficit situation. What does this mean?
- A) Canada is exporting more than it is importing
 - B) Canada is providing more material to the United States
 - C) Canada is importing more than it is exporting
 - D) Canada is not exporting any goods or services
 - E) none of the above

11. In understanding governance failures, which of the following companies represents the largest corporate bankruptcy in United States history?

- A) Enron Corporation
- B) Worldcom
- C) British Petroleum
- D) Lehman Brothers
- E) Tyco International

12. There are three branches of government within the federal system. These include:

- A) legislative, judicial, executive
- B) legislative, judicial, Queen Elizabeth II
- C) legislative, executive, Governor General
- D) judicial, executive, Privy Council
- E) none of the above

13. Currently, which Canadian province has the most elected members in the House of Commons?

- A) British Columbia
- B) Quebec
- C) Ontario
- D) Alberta
- E) Nova Scotia

14. Corporate disclosure and transparency increased in the United States after the 2002 passage of which of the following Acts:

- A) The Federal Accountability Act
- B) The Arthur Andersen Act
- C) The Ethical Practices Act
- D) The Sarbanes Oxley Act
- E) None of the above

15. Obligations owed by directors to shareholders that are prescribed by laws or regulations are known as

- A) duties of care
- B) moral obligations
- C) fiduciary duties
- D) directors' duties
- E) none of the above

16. An attempt to directly or indirectly influence any government activity that could include persuading regulators or their staff on a particular policy issue is commonly referred to as:

- A) illegal activity
- B) influence peddling
- C) lobbying
- D) public policy
- E) none of the above

17. Sometimes the Canadian government will operate through quasi-government regulation by using arm's length agencies to assist. Examples of such arm's length organizations include:

- A) Standards Council of Canada
- B) Canadian Radio-Television and Telecommunications Commission (CRTC)
- C) Canada Post
- D) none of the above
- E) A,B, and C above

18. Regulation imposed by the corporation or industry and not by governmental forces is known as:

- A) market regulation
- B) self-regulation
- C) government regulation
- D) mandated regulation
- E) none of the above

19. Any aspect of the organizational arrangements that create value and facilitate action of stakeholders in the internal and external environment is known as:

- A) social capital
- B) monetary capital
- C) non-committed capital
- D) relationship capital
- E) value capital

20. A type of stakeholder that requires immediate management attention and priority given that they possess power, urgency, and legitimacy are known as:

- A) latent stakeholders
- B) expectant stakeholders
- C) definitive stakeholders
- D) non-stakeholders
- E) none of the above

21. The type of stakeholders that managers may not recognize or give much attention to are known as:

- A) expectant stakeholders
- B) non-stakeholders
- C) latent stakeholders
- D) definitive stakeholders
- E) all of the above

22. The degree to which managers give priority to competing stakeholder claims is known as:

- A) resilience
- B) salience
- C) legitimacy
- D) urgency
- E) none of the above

23. Those stakeholders who oppose the organization's course of action and are very important to the organization are called:

- A) legitimate stakeholders
- B) low priority stakeholders
- C) problematic stakeholders
- D) antagonistic stakeholders
- E) none of the above

24. Those stakeholders who oppose an organization's course of action but are generally seen as unimportant are called:

- A) legitimate stakeholders
- B) low priority stakeholders
- C) problematic stakeholders
- D) antagonistic stakeholders
- E) none of the above

25. Categorizing an organization's stakeholders by their influence according to two variables is known as:

- A) matrix management
- B) matrix mapping
- C) issue mapping
- D) none of the above
- E) only A and C above

26. A systematic process by which a corporation can identify, evaluate, and respond to a variety of issues that could impact it significantly is known as:

- A) problem solving
- B) issue management
- C) decision making
- D) policy management
- E) internal control management

27. Stakeholders can be categorized by the following:

- A) Primary
- B) Secondary
- C) Internal
- D) External
- E) all of the above

28. When a society has power that is decentralized and dispersed among a variety of institutions, and where no one institution is independent of another, this is known as:

- A) pluralism
- B) communism
- C) consumerism
- D) none of the above
- E) only A and C above

29. A system of political organization in which the activities of state are divided between at least two levels of government in such a way that each level has certain areas in which it is empowered to make final decisions is known as:

- A) federalism
- B) sovereignty
- C) capitalism
- D) provincialism
- E) communism

30. Deregulation in an industry is generally done to:

- A) decrease competition
- B) stabilize competition
- C) increase competition
- D) increase taxes
- E) none of the above

31. The condition in a market system where rival sellers seek to provide goods and services to many buyers is identified as:
- A) collaboration
 - B) a monopoly
 - C) competition
 - D) coercion
 - E) none of the above
32. All of the following are cited as reasons for government regulation except the following:
- A) to control negative externalities
 - B) to control natural monopolies
 - C) to control an excess in profits
 - D) to accelerate privatization
 - E) none of the above
33. The assumption that all individuals have an even chance at responding to some condition in society is known as:
- A) justice for all
 - B) socialism
 - C) equality of justice
 - D) equality of opportunity
 - E) none of the above
34. Which one of the following would be an ethical implication on the rights of private property?
- A) Even distribution of wealth
 - B) Lack of infringement on copyrights
 - C) Taxation is used to redistribute wealth
 - D) all of the above
 - E) none of the above
35. A few years ago, Martha Stewart received substantial news from a company that no one else had knowledge of and then sold her stock because of this news to avoid significant losses in stock value. This is an example of:
- A) embezzlement
 - B) tax evasion
 - C) insider trading
 - D) kickbacks
 - E) none of the above

36. Which of the following is not an example of corporate wrongdoing?
- A) insider trading
 - B) stock manipulation
 - C) bid rigging
 - D) embezzlement
 - E) all of the above are examples of wrongdoing
37. When a Canadian company has its goods produced in or services offered from a foreign company this is called:
- A) exporting
 - B) outsourcing
 - C) off-shore properties
 - D) importing
 - E) none of the above
38. The appropriateness of a corporation's behaviour and adherence to moral obligations to society is often called:
- A) integrity
 - B) ethics
 - C) responsibility
 - D) values
 - E) none of the above
39. An economic system that is characterized by ownership of private property by individuals where profit is the motive and there is a competitive market system is called:
- A) stakeholder system
 - B) laissez-faire system
 - C) free enterprise system
 - D) all of the above
 - E) none of the above
40. All of the following are factors that influence our attitudes toward business except:
- A) Innovation
 - B) Standard of living
 - C) Allocation of resources
 - D) Greed
 - E) All of the above influence our attitudes