

**ADM1301B**


**Fall 2012**

**Quiz 2**

**CORRECTION GRID**

<u>For markers only</u>		
Your gross score:	<b>100</b>	/ 100
This Quiz 2 questionnaire weight :		x 10%
Your mark toward the final grade:	<b>10</b>	




**INSTRUCTIONS:**


1. Quiz 2 counts for 15% of the final grade. This questionnaire counts for 10%. Your group case report on Barclay's Chemicals Foundries represents the other 5%.
2. There are 2 parts. You **must complete all questions** in Part 1. You have choices in Part 2.
3. Answer **directly on this questionnaire in the space provided. Remember back-to-back printing.**
4. Time Limit: 1 hour 15 minutes
5. **You must sign the Statement of Academic Integrity below**
6. It is recommended that you read through the entire quiz completely before beginning to answer.
7. Be mindful of the time and allocate it appropriately. You may leave before the allotted time if you feel you have completed this quiz.
8. **Write legibly in ink.** Poor writing may result in all or part of your quiz not being corrected.
9. **Write your name and student number on every sheet** (in case your report becomes unstapled during handling). One point will be deducted for failure to do so. Refer to  top of the page.

**MUST BE CLEARLY INDICATED. MUST BE LEGIBLE**

\_\_\_\_\_

First Name                      Family Name                      Student Number



To underline the importance of **academic integrity**, all submissions in partial fulfillment of the requirements of a course at the Telfer School of Management must include the following signed statement:

***Statement of Academic Integrity***

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

Signature: \_\_\_\_\_ **XXX** \_\_\_\_\_ Print Name: \_\_\_\_\_ **XXX** \_\_\_\_\_

**A submission without a signed statement will not be corrected and will receive an automatic grade of zero.**

**PART 1 - True or false statements. Multiple choice questions. Write or circle your answers clearly on this questionnaire. 40 points in total; 2 points for each correct answer.**

1. Adam, a manager, is concerned with how to apply the rules and principles that guide morally appropriate behaviour into decisions that will affect his firm's product development. He is concerning himself with the ethics of business.  
a. True   
b. False
2. "If my employees have to take a wage roll back, then I should take one too." This statement is consistent with the principle of the categorical imperative.  
a. True   
b. False
3. Daniel is the Finance VP of Hezmut Corp. He is considering whether or not he should submit the corporate financial report as drafted at the upcoming annual shareholders' meeting. He believes that the information does not fully disclose the entire situation and the risks regarding a planned merger. He wonders to himself: "What would my mom say if she found out what I was condoning?" Daniel is applying which principle of ethical analysis?  
a. Self-interest  
b. Personal virtues   
c. Ethics of caring  
d. Utilitarian beliefs  
e. Deontology  
f. None of the above answers
4. Self-regulation refers to regulatory forces that are imposed and enforced by\_\_\_\_\_  
a. The corporation   
b. The competition  
c. Professional associations  
d. The business community  
e. Individual divisional managers within a business entity
5. A decision maker should always identify stakeholders involved in a decision prior to determining what alternative solutions to the problem are possible.  
a. True   
b. False
6. Volunteerism, in the context of corporate social responsibility (CSR), refers to theories that argue that a firm has responsibility for the social welfare and progress of society.  
a. True   
b. False



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7. According to Carroll's Pyramid of Social Responsibility, profits resulting from the satisfaction of the economic responsibilities of the firm are necessary before any other responsibilities, including legal, ethical and philanthropic can be carried out.
- a. True
  - b. False
8. The Government of Saskatchewan owns and operates Saskatchewan Government Insurance (SGI) which provides insurance for automobile owners in the province. SGI is an example of
- a:
- a. Chosen instrument
  - b. Mixed enterprise
  - c. Public-private partnership
  - d. Crown Corporation
  - e. Quasi-Government institution
9. Frank Nikomo, now retired, is a former school teacher who developed a strong reputation nation-wide for his ability to reach youth with gang involvement. Frank has decided to leave retirement and offers his expertise to various teaching associations, such as the Newfoundland and Labrador Teachers' Association, to help them lobby for funds to support social initiatives in schools. This is an exemplar of which type of business lobbyist?
- a. Business Interest Group
  - b. Consultant
  - c. In-house
  - d. None of the answers
  - e. This is not an example of lobbying as it involves the public, not private sector.
10. The Alberta Teachers Association cannot be considered a lobby group as it is not a for-profit enterprise.
- a. True
  - b. False
11. The Alzheimer's Society serves individuals and family members affected by this challenging disease. As a non-profit organization, however, it is prohibited by law to lobby government for funding.
- a. True
  - b. False
12. Think tanks are organizations or groups of experts funded by government to provide informed advice on how to influence business and civil society.
- a. True
  - b. False

13. Business-NGO relations have the potential to produce all of the following except:
- a. Build business leadership
  - b. Foster social, environmental and economic success
  - c. Damage reputations
  - d. Alienate stakeholders
  - e. Lower business start-up costs**
  - f. All of the above answers capture the potential of business-NGO relations.
14. Which of the following statements is not indicative of civil society's supportive influence:
- a. Source of workers
  - b. Social capital provider
  - c. Distributor of information
  - d. Source of profit**
  - e. Honest broker between government and business
  - f. All of the above.
15. Government procurement policy remains unchanged over a ten-year period - in other words the policy provisions are clear and stable - because of the economic significance of this multi-billion dollar market and the need for bidding process stability to ensure that businesses can sell efficiently their goods and services to government.
- a. True \_\_\_\_\_
  - b. False \_\_\_\_\_**
16. The Royal Bank of Canada and Canada Post are examples of mixed corporations; in other words, ownership in each corporation is shared between the Government of Canada and the private sector.
- a. True \_\_\_\_\_
  - b. False \_\_\_\_\_**
17. Regulations are often used to address so-called market failures. Which among the following types of regulation is not related to a market failure?
- a. Risk of monopoly by an energy supplier
  - b. Pharmaceutical product labelling
  - c. Unseen externalities of a production process
  - d. Policy think tank**
  - e. All of the above
18. A Crown corporation typically provides a service or a product that the private sector would be unwilling or unable to provide.
- a. True \_\_\_\_\_**
  - b. False \_\_\_\_\_
19. To ensure transparency in the conduct of lobbying in Canada, the practice is not regulated since lobbying is considered a legitimate activity.
- a. True \_\_\_\_\_
  - b. False \_\_\_\_\_**



Student Number  
12345

Student Name  
ABCD

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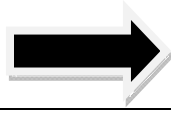
20. Which of the following statements does not reflect what lobbyists do?

- a. Provide informed strategic advice
- b. Be credible with good contacts
- c. Understand the issue from several perspectives
- d. Get paid to prepare their clients to lobby
- e. Offer incentives to public office holders to obtain government contracts
- f. Know what politicians think or stand on an issue and influence them
- g. Every one of the above answers reflects what lobbyists do.

**Part 2 – You select 3 questions to answer among Questions 1 to 4 that follow. Respond to the 3 questions you select (including the sub-questions) in the space provided below. 20 points for each question; 60 points in total for this Part.**

1. The firm that employs you is concerned about a recent policy direction announced by the government. It intends to make representations on it by way of lobbying. Your boss however is unsure about what is involved in a lobbying strategy. He has jotted down some elements that came to mind and that he thinks are appropriate. He is asking you to help him out identify (circle) what is relevant from the list below and to provide some brief explanation of what he would need to consider under each element you select. **20 points. 4 points for each appropriate element. 2 points for the element; 2 points for a reasonable explanation. Partial marks possible at the marker’s discretion.**

Your boss’ notes on elements to consider in a lobbying strategy	Your explanation
1. Define the ethical dilemma	X
2. Apply the justice, utilitarian and deontological tests	X
3. <b>Frame the lobbying issue. Position it in the sector</b>	<b>Define the problem, the matter of concern. Is it strategic or operational or both? Is it important only to my firm or to others in the economic sector?</b>
4. Identify the main ethical approach before lobbying	X
5. <b>Determine whom to lobby</b>	<b>Related to the nature of the issue. Lobby politicians, public servants or both?</b>
6. <b>What is my lobbying approach?</b>	<b>Selection of strategy and tactics. Direct or indirect lobbying?</b>
7. Hope that my ethical decision is the right one	X
8. <b>Implementation plan (people, money, collaborators, duration, etc.)</b>	<b>Execute the plan. Sustain effort with appropriate resources. Monitor and measure progress / results.</b>
9. <b>Risk analysis and contingency plan in case of sudden change</b>	<b>Identify risk factors and their probability. Have mitigating plan. Be prepared with alternative scenarios in response to evolving circumstances.</b>
10. Report to Parliament	X



2. Stanbury presents a framework for examining business-government relations. Answer the following three sub-questions (20 points in total):
- Select (circle) **FOUR** of the applicable factors affecting business as presented by Stanbury in his business-government relations model and explain briefly the significance of each one for the relationship (8 points in total; 2 points for each properly identified factor and a reasonable short explanation).

Stanbury: Factors affecting BUSINESS	Short explanation
1. Extent of government intervention in the sector	The government's significant presence in various forms in an economic sector will likely have an impact on the other key economic actors
2. The existence of market competition and its strength	
3. The perception of the public	The public as customers and the public as influencers / pressure groups on public decision-makers. Better for business to benefit from a favourable public perception: loyalty to brand, support, reputation, etc.
4. The tendency of an unregulated market to create a monopoly	
5. The degree to which government actions determine success or failure	Government as regulator or partner. Could determine success of business ventures or impose constraints that may limit business.
6. Nature of relations between business and its primary stakeholders	Strategic or operational in nature? Strong or weak? Broadly or narrowly based? Supportive or opposing? May use some concepts like power, legitimacy, urgency from stakeholder management models.
7. The desires of Her Majesty the Queen regarding the "Commercial" syndrome	
8. The nature of human capital generated by businesses investing in universities	

- b. Identify (circle) **FOUR** of the factors affecting government presented by Stanbury and explain briefly the significance of the selection for the relationship (8 points in total; 2 points for each properly identified factor and a reasonable short explanation).

<b>Stanbury: Factors affecting GOVERNMENT</b>	<b>Short explanation</b>
1. Philanthropic initiatives of civil society	X
2. U2, Céline Dion and other influential artists dedicated to a social cause	X
3. Behaviour of the media	Media report information. Make the news. Capable of Influencing and may shape public opinion. Public perceives the government and elected officials largely through the media.
4. Actions of other governments	In a large measure, pressure and influence of other governments in Canada and abroad shape the agenda and define policy issues. Strategic alliances or resistance more and more common.
5. The “Guardian” syndrome	X
6. Size of the government’s majority and the regional distribution of seats in the legislature	Extent and legitimacy of political power
7. Action of opposition parties	Strength of the opposition as a political force to be reckoned. Competing force for influence and political power
8. Social media	X



c. What is Stanbury's conclusion regarding business-government relations? Select (circle) what is relevant and explain (4 points).

Standbury concludes that:	Short explanation
1. Business and government are a single world	
2. Each sector protects the other while attempting to further its own interests	
3. Business and government are two societal segments that are affected by different variables and processes	Public policy results from a series of processes and influences. Public debate. Business is different from government; it "strategizes" within environmental constraints to shape outcomes according to preferences and priorities (self-interest)
4. Business and government trash each other in the "policy arena" because they are in conflict and they do not understand each other	
5. The significant role played by international organizations (example: UN, OECD) in trade agreements tends to usurp national government sovereignty	
6. Because of the largely confrontational nature of the relationship, they clash in the policy arena. Business lobbies government and government regulates business.	Gov't serves the public interest; business serves largely its own self-interest. The interests are not necessarily identical. Business has to bring its perspective and issues to the attention of public decision-makers through lobbying to influence. The public interest is invoked by gov't to "rein in" business and control excessive behaviour in the free market. Gov't is risk averse, while business is risk tolerant. The reward for a good job is different: holding to political power versus profits.

3. Identify five forms of government influence on business in Canada. For each identified form, explain in a few sentences how business is affected by that government intervention. (20 points; 4 points for each form and adequate explanation.)

Accept 5 among the following 8 terms. 4 points for each term properly identified and a reasonable explanation that captures the essence of the points made under each one. Partial marks are permissible at marker's discretion.

**1. Regulation**

- The imposition of constraints, backed by the authority of government, that are intended to modify economic behaviour in the private sector significantly
- Types: Could be either economic (to correct market imperfections), social (to correct the adverse effects of business on people), political (to garner votes)

**2. Government ownership (Crown corporation)**

- Crown corporations typically provide a service or product that the private sector would be unwilling or unable to provide

**3. Government subsidies**

- Either the direct transfer of cash to a recipient or the indirect transfer of benefits
- Either increase the supply of a product or the demand for the product or service – the resulting market prices affect competition
- (OPTIONAL) \$19 billion in subsidies to business in 2004 (Fraser Institute)

**4. Tax policy**

- Encourage investment in some activities, but not others
- Deductibility of business operating expenses
- Capital cost allowance policy
- Tax credit policy

**5. Government procurement**

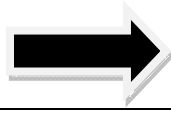
- Government is a major purchaser of goods of services
- Changes in procurement policy can significantly affect business

**6. International trade**

- Negotiation of international tariff laws
- Non-tariff barrier elimination
- Strong proponent for Canadian business abroad

**7. Industrial Strategy**

- Any attempt by government to apply a coherent and consistent set of policies that are designed to improve the performance of the economy



**8. Fiscal policy**

It concerns decisions regarding government revenues and expenditures. Who, what and how you tax and on what, whom and how you spend has an impact throughout the economy, on social and regional development prospects.

4. Identify five tools that civil society uses to influence business and government. For each identified tool, explain in a few sentences how business and government may be affected. (20 points; 4 points for each tool and an adequate explanation containing two of the concepts conveyed by the examples. There are overlaps in the examples / explanations of influences. Partial marks permissible.)

1. **Publishing** (print; on-line). Examples of influence:

- a) Distributor of information
- b) Awareness building
- c) Supplier of knowledge and skills (knowledge transfer)
- d) Cause-related marketing venue

2. **Social network participation**. Examples of influence:

- a) Supplier of knowledge and skills (knowledge transfer)
- b) Source of workers
- c) Neutral broker between government and business
- d) Intimate knowledge of community (closer to stakeholders)
- e) Citizen engagement venue
- f) Social capital provider
- g) Alternative service delivery methods and new models of community engagement
- h) Point of entry for citizens to engage in policy debates

3. **Lobbying** (direct; indirect; advocacy). Examples of influence:

- a) Awareness building
- b) Public policy test environment
- c) Distributor of information
- d) Point of entry for citizens to engage in policy debates

4. **Media campaigns**. Examples of influence:

- a) Building image and buffering media
- b) Cause-related marketing venue
- c) Awareness building
- d) Distributor of information

5. **Demonstrations and protests**. Examples of influence:

- a) Cause-related marketing venue
- b) Awareness building
- c) Public policy test environment
- d) Distributor of information

- e) Point of entry for citizens to engage in policy debates
- f) Intimate knowledge of community (closer to stakeholders)
- g) Citizen engagement venue