

**Business Values and Ethics**

**SBS MBA / MSc**

**Assignment – DXB- 2020**

**STUDENT ID: ABSMBA20020077**

**UNIT TITLE / CODE:**

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## GENERAL INSTRUCTIONS

* All assignments are to be submitted **14th May 2020** on to [examinationboard@atmsedu.org](mailto:examinationboard@atmsedu.org) and cc to [azrafatima@atmsedu.org](mailto:azrafatima@atmsedu.org)[,](mailto:afatima@atmsedu.org) [assignmentsubmission2019@gmail.com](mailto:assignmentsubmission2019@gmail.com)
* If assignment is not submitted on date, will follow with penalty of 10% deduction of marks for every day.
* Similarity between students work is strictly not accepted, any student found with similar work will be graded Zero and fail for the course. However, Plagiarism is an academic offence and will not be tolerated under ABS
* Assignment once submitted to exam board is final for marking.
* Total 100 marks

## GUIDELINES FOR ASSIGNMENT

1. If assignment is Question & Answer based then.
   * Introduction is needed for each question.
   * Question has to be answered based on the mark allotted for each question with references if any idea or information is taken from other source.
2. If assignment is case based then,
   * Executive summary
   * Table of content
   * Body of assignment (questions related to case need to be answered)
   * Conclusion / Recommendation if any
   * References (in-text + citation) to be used.

## Total Marks / 100

**Case Scenario I**

You are running with a business since last many years. Over a period of time you have very good corporate image in market. But unfortunately since last two years your firm is passing through crisis. Your business is suffering from heavy losses. You are planning to wind up your business. Meanwhile one big corporate house has announced a big corporate deal through auction. You have also decided to take part in that deal as it will be a last option for you to save your business. On the day of auction, so many companies have participated for this bid. Committee would declare the result after lunch break. You found the closed envelope of your competitor’s bid during lunch break.

1. **Will you be ethical in this situation? If yes how? And if no! Why?**

I will ensure to be ethical by not opening the envelope so I don’t reveal the competitors bid.

Also, I would return the envelope to the committee and explain the situation. The committee as a whole will be able to make the recommended actions based on the scenario.

1. **If you be ethical, how you will survive your business.**

Regardless of knowing what one competitor bid, it doesn’t change the fact that many other companies would also place a bid. It is my responsibility to do the research needed, and bid according to the competitive circumstance. In this situation, I would bid break even in order to have higher chance of winning the auction for long term strategy of survival.

**Case Scenario II: Discrimination in the Workplace**

Marian, a top graduate from Loyola in Humanities, was hired by a major corporation into a management position. Marian finished the corporation's management training program top in her group, and is performing above the norm in her position. She is really enjoying her work.

As a woman she feels isolated, as there are no other women managers and few women in her area. One night at a company party she heard a conversation between two of her male co-workers and their supervisor. They were complaining to him about Marian's lack of qualifications and her unpleasant personality. They cursed affirmative action regulations for making the hiring of Marian necessary.

Marian is very upset and wants to quit.

**Questions:**

1. **Should Marian quit?**

No she should not. Throughout her career she will experience high and lows with different individuals, and she should find a way to deal with it outside of quitting.

1. **Are her co-workers correct in their evaluation?**

No they are incorrect, it is based on bias opinion of women in the workplace, and perception of Marian

1. **Should Marian confront the co-workers?**

No she shouldn’t, as she overheard a conversation that she was not a part of.

1. **Should Marian file a discrimination suit?**

No, since this is a first offence of a negative opinion that she overheard at a corporate party. They also have not acted in discrimination towards her.

1. **Should Marian go to the supervisor?**

Yes, in the case a similar situation like this happens again her supervisor would be aware. Her supervisor can also determine the best course of action and support her when needed

1. **What else could Marian do?**

**Marian should continue doing what she had done before, and not let this situation hold her back from her performance and career**

**Case Scenario III: Employee Absence**

Joan, an employee of Great American Market, was warned about her excessive absenteeism several times, both verbally and in writing. The written warning included notice that "further violations will result in disciplinary actions," including suspension or discharge.

A short time after the written warning was issued, Joan called work to say she was not going to be in because her babysitter had called in sick and she had to stay home and care for her young child. Joan's supervisor, Sylvia, told her that she had already exceeded the allowed number of absences and warned that if she did not report to work, she could be suspended. When Joan did not report for her shift, Sylvia suspended her for fifteen days.

In a subsequent hearing, Joan argued that it was not her fault that the babysitter had canceled, and protested that she had no other choice but to stay home. Sylvia pointed out that Joan had not made a good faith effort to find an alternate babysitter, nor had she tried to swap shifts with a co-worker. Furthermore, Sylvia said that the lack of a babysitter was not a justifiable excuse for being absent.

**Questions:**

1. **Was the suspension fair?**

Yes, as she was warned several times verbally and in a warning letter

1. **Did Sylvia act responsibly?**

No, she could have tried harder to find alternative support. Also, her past actions do no help in her situation, if she

1. **Should Joan be fired?**

No, it is fair if she gets 3 written warnings in total then it would result in termination

1. **Should the babysitter be fired?**

That cannot be stated with the current case, it depends on the babysitters ongoing behavior not this single event

1. **Was Sylvia fair in her actions?**

Yes, she was fair in her actions in terms of being a mother

1. **Is there ever a solution for working mothers?**

Yes, there are numerous ways for working mothers to feel comfortable and able to do both. These things include:

* Daycare service at work
* Flexible hours
* Work from home
* Day care allowance

1. **Should working fathers take turns staying home?**

Not necessarily, regardless of gender organizations should be more flexible on parents

**Case Scenario V**

Arthur Edward Anderson (1885-1947), the founder of Arthur Anderson & Co. must have turned in his grave in 2001, as the auditor firm founded by him became a synonym for scandal in the accounting profession. On 15th August 2001, Sherron Watkins, an employee of Enron, questioned the company’s accounting practices, in a single-page letter to its CEO. Enron, the energy giant that ruled the world, and its auditor Arthur Anderson & Co., became the ridicule of the world. In early 2002, the US Justice Department began criminal investigations into Enron’s bankruptcy. In 2002, Arthur Anderson was convicted by the lower and appellate courts for obstruction of justice. The firm had worked hand in glove with Enron and cooked its account books. The audit firm that once had an 85,000 strong workforce, now had closed offices and business interests around the globe. The firm’s name is so tarnished that there is no other business going on in it, other than attending to over a hundred civil suits.

**Questions:**

1. **What do you think can be the outcomes of an accounting fraud to the society and business at large?**

They intentionally altered financial reports, which is illegal and unethical.

The outcome will be negative on all parties. Account fraud is usually due to the following:

* Avoiding taxation – Affecting society and governmental benefits that are provided to the public
* Inflating stock values – for all investors in the company public and private will lose their investments once the scandal is out. Within the company, there is a false perception of financial growth, while in reality Enron could be failing and be in massive debt

Additionally, all members of the organization will be negatively impacted once the fraud is out in the open. Putting the whole company at risk

1. **Why do you think that the history of accounting fraud repeats itself, such as so many frauds which we have heard after Enron scandal?**

Yes, I believe it does. Especially if improper actions were taken to prevent these actions, for instance audit committee, ethical board of directors and reorganization of company structure

**Case Scenario – VI: Purchasing Ethics**

J.R. accepted a position at Cripple Creek Vocational University and he and his family made a permanent move. Soon, J.R. was promoted to Administrative Vice President, overseeing the purchasing department of the University. His oldest son, Jim, got a good job in educational equipment sales at Tiddley Computer Corporation in Fort Worth.

As Vice President, J.R. quickly saw the need for 4 to 5 computers in his office. Although CCVU had a bidding policy, J.R. purchased Tiddley Corporation's computers direct from Tiddley for about $3500 each, when IBM clones were selling for around $2000 and the clone had more promising features than the Tiddley. Jim handled the sale and received a healthy commission on the sale. If the purchase had gone through the normal bidding process, the TC model would not have been selected. Tiddley's local Cripple Creek franchise dealer objected to Tiddley Corporation that his protected franchise had been bypassed in the deal.

**Questions:**

1. **Since J.R. was over the purchasing department and had final decision authority, should purchasing have gone through the normal bidding routine?**  
   Yes, the purchasing should have gone through applied by organizational applied processes which strictly follows the guidelines of a takeover bidding referred to a tender - offering the best supply of goods, services and fees. Yet J.R. decided to crossover any bidding routines assigned by CCVU, and follow a profitable scheme to benefit his son to obtain commission on the sale.
2. **Is it acceptable for a V.P. to bypass the normal routine to do business with a family member?**

Although he is a VP, still he is an employee of CCVU. Therefore this is not acceptable routine to perform. The business guidelines should oblige on all company management and members to provide best principals.   
  
In case of a new processes applies and approved by key stakeholders to advantage from family members, then the V.P. must introduce such approach to all employees in the same organization.

1. **Was J.R.'s decision not to request bids an ethical choice?**

The choice was not ethical to the work environment as he could have previously approached the new flow to the team rather than executing it and then it follows by internal situation or problems within the work, but he could have introduced the new approach to everyone else within the organization rather not bidding and forcing to own those machines from a new external supplier.

1. **What should the college purchasing agent do?**

He could raise a study of the current spends and how much the university could have saved rather than purchasing at larger value with no negotiation process. But again, he would fall to know that his son works at Tiddley’s and get a raised discussion of what’s next with the Internal Audit, Legal and Human Recourses Departments.

1. **Should anyone else at CCVU have any interest in this activity?**

The finance and legal department could investigate further and get the procedures and norms done based on proof of this activity.

1. **Has Tiddley's Cripple Creek franchise owner been wronged?**

No, they weren’t at all as the decision and approach came from the V.P. of the university so it shouldn’t be their part of anything to be wrong in as Jim sold the machines and got his designated percentage of commission.

1. **Should Jim have made the sale? Received a commission?**  
   Yes, I believe that Jim had to make the sale and get the commission based on his title. Since his sale is standard action towards an organization that especially falls within his title, and not against Tiddley's Cripple Creek franchise rules and regulations.

***Disclaimer: None of the above has been selected off (books, newspapers or websites) nor requires referencing.***