



MORE QUESTIONS SOLVED

I. Very Short Answer Type Questions

Question 1. Define corporate social responsibility.

Answer: Corporate social responsibility is a comprehensive set of policies, practices and programmes which are integrated into business operations, supply claims, and decision making process throughout the company, wherever the company does business and includes responsibility for current actions as well as past and future actions.

Question 2. What is the relation between ethics and moral values?

Answer: Ethics refer to the entire body of moral values which a society attaches to the actions of human beings.

Question 3. What do you mean by the principles derived from social values which guide and govern the conduct of businessmen?

Answer: Business ethics are principles derived from social values which guide and govern the conduct of businessmen.

Question 4. Mention two responsibilities of business towards customers.

Answer: Supply of right quality of goods and proper precaution against adulteration.

Question 5. Give any two reasons supporting social responsibilities.

Answer:

- (i) It is in long term interest of the business.
- (ii) It is justified for growth and existence of business.

Question 6. Give any two reasons against social obligation.

Answer:

- (i) It violates the goal of profit maximization
- (ii) Its burden falls on consumers.

Question 7. Name any two factors which affect the ethical behaviour of a business.

Answer: Awareness amongst people, overall environment of the area where business is located.

Question 8. Define pollution.

Answer: Pollution is change in the physical, chemical and biological characteristics, air, land and water.

Question 9. Give any one point of difference between ethics and law.

Answer: Ethics are self-imposed while laws are imposed by an external governing authority.

Question 10. Do businessmen have skill to tackle social problems?

Answer: Yes, businessmen have skills to tackle some but not all social problems.

Question 11. What is environmental pollution?

Answer: When the quality of environment degrades due to mixture of unwanted elements in it, it is called environmental pollution.

Question 12. What is the reality of social responsibilities?

Answer: In reality, social responsibility takes form of lip service only. There is no genuine effort from a business. Many a time firms play their legal roles in the name of social responsibility.

Question 13. What is code of ethics?

Answer: An enterprise must clearly define the ethical code of conduct to be followed in the organisation. The code should include quality standards for work, laws governing production and employee's health and safety standards.

Question 14. Give any one difference between ethics and law.

Answer: Business ethics refer to the socially determined moral principles which should govern business activities. Laws are determined by the legal bodies of a country.

II. Short Answer Type Questions

Question 1. What are the core objectives of social responsibility of business?

Answer: The core objectives of social responsibility of business are as follows:

1. It is a concept that implies a business must operate (function) with a firm mindset to protect and promote the interest and welfare of society.
2. Profit (earned through any means) must not be its only highest objective else contributions made for betterment and progress of a society must also be given a prime importance.
3. It must fulfill its social responsibilities honestly in regard to the welfare of society in which it operates and whose resources and infrastructures it makes use of to earn huge profits.
4. It should never neglect (avoid) its responsibilities towards society in which it flourishes.

Question 2. What are the obligations of a business in the name of social responsibility?

Answer: The social responsibility of business comprises of the following obligations:

- A business must give a proper dividend to its shareholders or investors.
- It must provide fair wages and salaries with good working conditions.
- It must provide a regular supply of good quality goods and/or services to its consumers/customers at reasonable prices.
- It must abide by all government rules and regulations, support its business related policies and should pay fair taxes without keeping any delays or dues.
- It must also contribute for the betterment of a local community by doing generous activities like building schools, colleges, hospitals, etc.
- It must take immense care to see that its activities neither directly nor indirectly create havoc on the vitality of its surrounding environment.
- It should maintain a stringent policy to curb or control pollution in regard to contamination of air, water, land, sound and radiation leakages. It must hire experienced professional individuals who are experts in their respective fields.
- It should also offer social-welfare services to the general public.

Question 3. Name any four elements of business ethics.

Answer: Business ethics can be defined as the code of conduct that a business must follow, such that it takes up only those activities that are desirable from the viewpoint of society. The purpose of

business ethics is to guide managers and other employees in an organisation in performing their jobs in a manner that is socially acceptable.

The following are some of the elements of business ethics.

- Top-level officers, such as the CEO's and other higher level managers, must sincerely follow the ethical code of conduct. They should also guide other employees in their organisation in adopting the code.
- An enterprise must clearly define the ethical code of conduct to be followed in the organisation. The code should include quality standards for work, laws governing production and employee's health and safety standards.
- In addition to setting performance standards, an enterprise must also devise a mechanism through which it can measure the actions of individual employees. This should be done in order to confirm whether the ethical standards are being met.
- The successful implementation of ethical standards depends to a large extent on the involvement of employees at different levels. This is because it is the employees who actually implement the ethical codes.
- Although it is difficult to measure the end results of implementation of ethical standards, the top management should take steps to monitor compliance. Also, it must take serious action against any unethical behaviour in the organisation.

Question 4. Explain the obligations of business towards owners and investors.

Answer: It is the responsibility of a business to pay attention on the maintenance and expansion of returns for all of its shareholders on important management issue, and constantly strives to improve its business performance and financial structure. The company's dividend policy calls for maintaining stable dividends, and Casio determines the allocation of profit by taking into account all factors such as profit levels, financial position, the dividend pay out ratio, and future business development and forecasts.

Question 5. How can a business enterprise improve its public image by performing social responsibilities?

Answer: Public relations is a potent tool for shaping consumer perception and building a company's image. Corporations that actively promote their social responsibility activities often take steps to publicise these efforts through the media. Getting the word out about corporate donations, employee volunteer programmes, or other CSR initiatives is a powerful branding tool that can build publicity for you in both online and print media.

Question.6. What obligation does a businessman have towards the government?

Answer: Social responsibility of business towards government's regulatory bodies or agencies is quite sensitive from the license point of view. If permission is not granted or revoked abruptly, it can result in huge losses to an organization. Therefore, compliance in this regard is necessary.

Furthermore, a business must also function within the demarcation of rules and policies as formulated from time to time by the government of state or nation. It should respect laws and abide by all established regulations while performing within the jurisdiction of state.

Some examples of activities a business can do in this regard:

- Paying fair taxes on time,
- Following labor, environmental and other laws, etc.
- Seeking permissions wherever necessary,
- Licensing an organization.

If laws are respected and followed, it creates goodwill of business in the eyes of authorities. Overall, if a government is satisfied it will make favourable commercial policies, which will ultimately open new opportunities and finally benefit the organization sooner or later.

Question 7. Give any four reasons against the social responsibilities of business.

Answer: Arguments against social responsibility

1. Violation of Profit Maximisation: As per this argument, business enterprises claim that our objective is profit maximisation. Business can reduce its cost and raise profits and then only it can meet its social responsibility.
2. Lack of Social Skills: Business enterprises neither have skill nor experience to solve all types of social problems. Therefore, it should be handled by specialised agencies.
3. Burden on Consumers: Many of the social responsibilities cost a lot and its burden falls on consumers only.
4. Lack of Broad Public Support: Business cannot operate successfully because of lack of cooperation and confidence from public to business enterprises.

Question 8. What are the responsibilities of business towards employees and customers?

Answer:

Social responsibility of business towards its employees: It is important because they are the wheels of an organization. Without their support, the commercial institution simply can't function or operate.

If a business takes care of the needs of its human resource (for e.g. office staff, employees, workers, etc.) wisely, it will boost the motivation and working spirit within an organization. A happy employee usually gives his best to the organization in terms of quality labour and timely output than an unsatisfied one. A pleasant working environment helps in improving the efficiency and productivity of working people. A

good remuneration policy attracts new talented professionals who can further contribute to its growth and expansion. Thus, if personnel are satisfied, then they will work together very hard and aid in increasing the production, sales and profit.

Social responsibility of business towards its consumers or customers: It matters a lot from sales and profit point of view. Its success is directly dependent on their level of satisfaction. Higher their rate of satisfaction, greater is the chances to succeed.

If a business rolls out good-quality products and/or delivers better quality services that too at reasonable prices, then it is natural to attract lots of customers. If the quality- price ratio is maintained well and consumers get worth for their money spends, this will surely satisfy them. In the long run, customer loyalty and retention will grow, and this will ultimately lead to profitability.

Question 9. Describe the obligations of business towards owners and shareholders .

Answer: Social responsibility of business towards its shareholders or investors is most important of all other obligations.

If a business satisfies its investors, they are likely to invest more money in a project. As a result, more funds will flow in and the same can be utilized to modernise, expand and diversify the existing activities on a larger scale. Happy financiers can fulfill the rising demand of funds needed for its growth and expansion.

1. They need to give a fair return to shareholders.
2. They need to give true and fair information to shareholders.
3. They need to give them proper opportunity to participate.

Question 10. Which eight problems have been identified by the United Nations which cause damage to natural environment?

Answer: Following eight problems have been identified by the United Nations which cause damage to natural environment:

1. Ozone depletion
2. Global warming
3. Fresh water quality and quantity
4. Deforestation
5. Land degradation
6. Solid and hazardous waste
7. Water pollution
8. Danger to biological diversity.

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