

## TECEP® Test Description for BUS-311-TE

### BUSINESS IN SOCIETY

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This exam assesses students' ability to analyze the interrelationships and influences among business, society, and government. It takes a stakeholder approach to focus on how social and governmental forces have changed the role of business and have influenced managerial decision making. It examines the impact that external factors such as governmental regulation and legal rulings, and how the changing expectations regarding the social obligations of business have influenced consumer, employee, community, ethical, and international relationships. (3 credits)

- **Test format:** 50 multiple choice questions (1 point each), 5 essays (10 points each)
  - **Passing score:** 60% (60/100 points). Your grade will be reported as CR (Credit) or NC (No Credit).
  - **Time limit:** 3 hours
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### OUTCOMES ASSESSED ON THE TEST

- Apply the foundation concepts of ethics to the management of a business.
  - Integrate the concept of social responsibility into the overall management of a business.
  - Apply the theories of stakeholder management to responsible business management practices.
  - Assess the role that emerging issues, such as sustainability, play in the evolving field of Business and Society.
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### TOPICS ON THE TEST AND THEIR APPROXIMATE DISTRIBUTION

The table below indicates the main topics covered by this exam and the approximate percentage of the exam devoted to each main topic. Under the main topic heading is a list of related—but more specific—topics. It is important to review these topics to determine how much prior knowledge you have and/or how much additional study is necessary.



## Business, Society and Corporate Social Responsibility (10%)

### Topics

- Definitions
- Roles
- Criticisms
- Meaning and Evolution
- History
- Arguments for and against

## Stakeholders (35%)

### Topics

- Origins
- Identity
- Values
- Management-strategies
- Boards and corporate governance
  - Investors
  - Securities and Exchange Commission (SEC)
  - Shareholder activism
- Consumer stakeholders
  - Consumerism
  - Advertising issues
  - Federal Trade Commission (FTC)
  - Self-regulation
  - Food and Drug Administration (FDA)
  - Customer service
  - Quality management
  - Quality and safety
- Community stakeholders
  - Involvement
  - Corporate philanthropy
- Employees
  - Social contract
  - Employee rights
  - At will
  - Due process
  - Freedom of speech
  - Whistleblowers
  - Safety

## Ethics (35%)

### Business Ethics



<b>Topics</b>
<ul style="list-style-type: none"> <li>● Essential/basic concepts</li> <li>● Models of management ethics</li> <li>● Moral judgement <ul style="list-style-type: none"> <li>○ Developing morality</li> <li>○ Elements of moral judgments</li> </ul> </li> </ul>
<b>Management</b>
<b>Topics</b>
<ul style="list-style-type: none"> <li>● Policy</li> <li>● Strategy</li> <li>● Ethics</li> <li>● Risk &amp; Crisis Management</li> <li>● Management Ethics</li> <li>● Ethical principles</li> <li>● Best practices for organizational ethics</li> <li>● Moral decisions</li> </ul>
<b>Business Ethics and Technology</b>
<b>Topics</b>
<ul style="list-style-type: none"> <li>● Data</li> <li>● Social media</li> <li>● Surveillance</li> <li>● Info technology <ul style="list-style-type: none"> <li>○ E-commerce</li> <li>○ Issues in e-commerce ethics</li> <li>○ Consumer privacy</li> <li>○ Workplace and Information Technology</li> </ul> </li> <li>● Biotechnology <ul style="list-style-type: none"> <li>○ Bioethics</li> <li>○ Genetic engineering</li> <li>○ Genetically Modified Organisms (GMOs)</li> </ul> </li> </ul>
<b>Ethics and Global Issues</b>
<b>Topics</b>
<ul style="list-style-type: none"> <li>● Marketing</li> <li>● Plant safety practices</li> <li>● Human rights/sweatshops</li> <li>● Labor abuse</li> <li>● Corruption</li> <li>● Bribery</li> </ul>



- Improving global ethics (strategies)

### **Business and Government (10%)**

#### **Topics**

- Roles/influence
  - Government on business
  - Business on government
  - Regulation
  - Non-regulation
  - De-regulation
- Lobbying
- Policy
- Political Action Committees (PACs)
- Corporate Political Activity
- Environmental regulation

### **Sustainability, Environmental Issues, Civil Rights, and Diversity (10%)**

#### **Topics**

- Sustainability, Environment, and Business's impact on it
  - Biodiversity
  - Climate change
  - Energy
  - Water
  - Chemicals/toxics
  - Heavy metals
  - Air pollution
  - Waste management
- Environmental ethics
- Laws and regulations
  - Title VII of the Civil Rights Act
    - Prohibition of discrimination on the workplace
    - Age Discrimination
    - Equal Pay
    - Rehabilitation
    - American with Disabilities Act
    - Equal Employment Opportunity
    - Discrimination and Groups of People Affected
    - Affirmative Action



## STUDY MATERIALS

Below is a list of recommended study materials to help prepare you for your exam. Many texts and free online resources can help you review, including the text below. Whatever resources you select, compare them to the topic outline to make sure everything is covered.

Title
Carroll, Archie and Ann Buchholtz. <i>Business &amp; Society: Ethics, Sustainability and Stakeholder Management</i> . Current edition. Stamford, CT: Cengage Learning

**Study Notes:** We also suggest that you review periodicals such as The Wall Street Journal, New York Times and Harvard Business Review. This will provide you with knowledge of topical social issues on business that are currently under public debate and scrutiny.

Remember, the broader your knowledge base, the more you will have to draw upon during the exam. This is important when taking an exam in a subject as dynamic as Business in Society, where issues and theories are constantly under re-evaluation.

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## SAMPLE QUESTIONS

The questions below are designed to help you study for your TECEP. Answering these questions does not guarantee a passing score on your exam.

Please note that the questions below **will not** appear on your exam.

### Multiple Choice

1. Decentralization and diversity of power concentrations leads to \_\_\_\_\_.
  - a. anarchy.
  - b. a totalitarian society.
  - c. a pluralistic society.
  - d. democracy.



2. The classical view of economics holds that a society can best determine its needs and wants through \_\_\_\_\_.
- a. a centrally planned economy.
  - b. government owned factors of production.
  - c. democracy.
  - d. the marketplace.
3. Which of the following is not considered an important function of stakeholder management?
- a. to lead
  - b. to understand
  - c. to analyze
  - d. to manage
4. The method by which a firm is being governed, directed, administered, or controlled is \_\_\_\_\_.
- a. corporate governance.
  - b. management.
  - c. management by objectives.
  - d. management by decree.
5. Common consumer complaints include all of the following except \_\_\_\_\_.
- a. poor quality of products.
  - b. lack of consumer credit.
  - c. high prices.
  - d. misleading packaging or labeling.
6. Which of the following is not a way in which companies can benefit from volunteer programs?
- a. developing strong ties with local government officials
  - b. developing employee skills
  - c. recruiting and retaining employees
  - d. improving the company's reputation
7. The new social contract is being driven by \_\_\_\_\_.
- a. the employee rights movement.
  - b. technology.
  - c. deregulation.
  - d. global competition.



8. The Enron Era brought about a broad range of legal and ethical charges that included all the following except \_\_\_\_\_.
- a. securities fraud
  - b. conspiracy to inflate profits
  - c. corrupt corporate cultures
  - d. building company assets
9. The concept of enterprise-level strategy is the idea that best links \_\_\_\_\_.
- a. ethics to performance.
  - b. strategy to performance.
  - c. public policy to performance.
  - d. ethics to strategy.
10. Technology has benefited society in all of the following ways except \_\_\_\_\_.
- a. increasing production.
  - b. reducing the amount of labor needed to produce goods and services.
  - c. raising the standard of living.
  - d. improving the sustainability of life on Earth.
11. The practice of offering something in order to gain an illicit advantage is called \_\_\_\_\_.
- a. offshoring.
  - b. bribery.
  - c. corruption.
  - d. grease payments.
12. Modern goals for business include all of the following except \_\_\_\_\_.
- a. safe working environments.
  - b. fair pay.
  - c. promoting the social welfare.
  - d. equal employment opportunities.
13. People who prefer to invest in companies with sustainability programs are known as \_\_\_\_\_.
- a. sustainability investors
  - b. power investors
  - c. green investors
  - d. ethical investors



14. The entity that is authorized to file suits in federal district court against private sector employers is the \_\_\_\_\_.
- Interstate Commerce Commission.
  - Federal Trade Commission.
  - Equal Employment Opportunity Commission.
  - Federal Bureau of Investigation.

### Essays

1. What are the major criticisms of boards of directors? Which single criticism do you find to be the most important? Why?
  2. Companies provide many of their employees with a business cell phone. Cell phone use is an increasing aspect of work today. Is it an exaggeration to question the ethical implications for business of cell phone and text-messaging use? Discuss both sides of this issue.
  3. Differentiate between a bribe and a grease payment. Give an example of each.
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## ANSWERS TO SAMPLE QUESTIONS

### Multiple-Choice Questions

- |        |         |         |
|--------|---------|---------|
| 1. (c) | 6. (a)  | 11. (b) |
| 2. (d) | 7. (d)  | 12. (c) |
| 3. (a) | 8. (d)  | 13. (c) |
| 4. (a) | 9. (d)  | 14. (c) |
| 5. (b) | 10. (d) |         |

### Essay 1:

The major criticisms of boards of directors center on their effectiveness. Boards are less effective than they should be because too many members are inside directors, they often do not put enough time into their positions, they may be paid too much money for the work they do, and they may become “yes men” to the CEO.

The inability to exercise independence is perhaps the most important criticism, especially in light of the fact that board members have a legal obligation to act in the best interest of shareholders. When directors are unable to separate themselves from management, they run the risk of violating their fiduciary duties. In some cases, board members, acting in concert with management, pursue their own best interests rather than the company’s best interests, which may result in shareholder losses and personal liability for the directors involved.

### Essay 2:

There are ethical implications to the use of cell phones and text messaging for business, whether managers want to acknowledge them or not. Any time that one person’s actions affect another, there is a potential ethical situation involved. In the case of cell phone use and text messaging, these issues can range from the mild annoyance caused to others who may be forced to listen to a one-sided telephone conversation or watch an individual texting to life threatening situations when a driver is talking or texting on the cell phone. All these potential ethical issues are exacerbated by employers’ pressure to “get more done.” In addition to the bystanders who are affected in ways noted above, the employee is also subjected to the pressure to always be available to customers, co-workers, and managers. With a company-provided cell phone, many employees are expected to be available literally any time someone calls them or to respond to text messages day or night. The effects on the employee’s personal life can be devastating. This constant pressure also impacts business because many employees will leave their current employer when the pressure becomes too much in search of a better opportunity. This translates into dollars and manpower lost for companies.



### Essay 3:

A grease payment is an expected, small, customary payment to an official in order to get him or her to do whatever s/he was supposed to do in the first place. We often think of grease payments as existing only in foreign countries (e.g., paying a customs officer to approve the delivery of personal luggage), but in some sense, paying a bellhop to carry your bags into a hotel, or giving a waiter a tip to deliver your meal could also be viewed in this manner. On the other hand, a bribe is a larger sum that is provided in order to get the recipient to make a choice that favors the briber or to do something that he is not required to do. Paying a government official to select your firm's contract to provide a service, rather than your competitor's, would be considered a bribe.



## BUS 311 General Essay Rubric

Category	Excellent (3 pts)	Meets Standard (2 pts)	Needs Improvement (1 pt)
Identification of Issue/Problem	Clearly identifies and responds to all aspects of the issue or problem. Answer addresses all parts of the prompt, and provides a clear and complete definition of the issues and/or problem	Identifies and responds to most aspects of the issue or problem. Answer addresses most parts of the prompt and provides a clear definition of the issue and/or problem. May lack some of the specifics or details regarding the	Fails to identify the main or major issues or problems related to the prompt. The candidate attempts a response, but the response lacks focus on the topic, or is not relevant to the topic. The response may contain misinformation or may lack a clear definition.
Analysis of Issue/Problem	The response clearly analyzes the issue or problem, breaking it apart to look at specific aspects or parts of it.	The response analyzes some, but not all or the totality of the issue or problem. There is some attempt at analysis, but it is not as detailed or explicit as an excellent response.	The response lacks a clear analysis of the issue or problem. The response contains mostly surface level retelling or summary without any specific or detailed analysis of the issue.
Use of details/examples/ideas for support	The response is detailed with specific and clear examples and ideas relevant to the topic. The ideas and examples help to support the main claims or points the candidate makes.	The response is mostly clear with some specific examples or ideas. The ideas are mostly relevant to the topic. The ideas provide some support for the main claims or points the candidate makes, but may lack the relevancy or clarity of an excellent response.	The response lacks clear or specific examples and ideas. If there are examples or ideas, they may be irrelevant or disconnected from the main points. There is little to no clear or relevant support for claims or points the candidate makes.
Grammar/Style (1 pt)	The response contains few to no grammar or spelling errors; the response is clearly organized and communication is clear and comprehensible. (1 pt)		The response contains many grammar and/or spelling errors; the response is not well organized and communication is unclear and lacks comprehensibility. (0 pts)

