**Directions: Identify the correct answer to each of the following questions.**

1. Which of the following activities is part of operations:

a. Buying a new office building

b. Researching and developing new products

c. Shipping products to customers

d. Creating an advertising campaign

2. The primary ethical conflict in operations is to find ethical ways to maximize profits and

a. cut costs.

b. fire employees.

c. find out what competitors are doing.

d. get rid of toxic waste.

3. Many ethical conflicts in operations are specific to the

a. time of year.

b. industry.

c. employee.

d. location.

4. Minimizing expenses to boost profitability may result in

a. higher taxes.

b. government fines.

c. higher product quality.

d. reduced wages or benefits.

5. Increased profitability

a. may only benefit a few of the business’s stakeholders.

b. can only occur when a business minimizes expenses.

c. always comes at a cost to a business’s employees.

d. usually means decreased product quality.

6. The overall responsibility for maintaining business ethics lies with

a. suppliers.

b. customers.

c. employees.

d. owners and managers.

7. Which of the following is an example of company equipment that may also be approved for personal use by employees:

a. Raw materials

b. Cell phone

c. Office furniture

d. Tractor

8. Using company equipment for personal use can sometimes cause problems because

a. employees must pay taxes when they use the equipment.

b. employees may argue over who gets to use it.

c. it may be damaged or broken more easily.

d. there is no one to monitor that it’s being used ethically.

9. Businesses must learn how to balance technology monitoring with

a. network capabilities.

b. employees’ right to privacy.

c. the marketing budget.

d. customer needs.

10. One of the reasons a business may monitor technology is to

a. delete unnecessary files.

b. check employees’ work.

c. measure electricity usage.

d. discourage time theft.

11. Inventory managers may face an ethical conflict when it comes to

a. selling damaged or expired merchandise.

b. monitoring technology.

c. purchasing raw materials from unethical sources.

d. reporting safety violations.

12. Which of the following may present an ethical conflict in inventory management:

a. Purchasing high-quality raw materials

b. Reporting environmental violations

c. Storing products correctly

d. Putting mileage on a company vehicle

13. One of the main ethical issues in purchasing involves

a. safety.

b. inventory.

c. equipment.

d. quality.

14. Kate works in purchasing, and her best friend works for a potential supplier. Buying supplies from her friend’s business may be a(n)

a. misuse of company property.

b. conflict of interest.

c. safety violation.

d. environmental violation.

15. Which of the following situations represents an ethical conflict in purchasing:

a. Using your employer’s discount for yourself

b. Failing to report a safety violation

c. Abusing the privilege of using company equipment

d. Selling damaged or expired goods

16. An employee may be reluctant to report a safety violation because s/he

a. may get in trouble for reporting it.

b. doesn’t want to receive a fine.

c. doesn’t want to tell on a coworker.

d. will have to give her/his name.

17. A liability that can’t be quantified is known as a(n)

a. credit.

b. asset.

c. externality.

d. debt.

18. A business may face an ethical conflict when reporting an environmental violation because

a. no one really knows what an environmental violation is.

b. environmental violations have very little impact.

c. it will automatically face a fine.

d. it can be time-consuming and costly.

19. To help employees who may face ethical conflicts, businesses should

a. provide a written ethical code.

b. impose harsh penalties for unethical behavior.

c. discourage employees from asking questions.

d. give employees very little responsibility.

20. To help ensure ethical business operations, businesses should make \_\_\_\_\_\_\_\_\_\_ an important characteristic to look for in employees.

a. physical fitness.

b. integrity

c. kindness

d. attention to detail