UGANDA MARTYRS UNIVERSITY-MASAKA CAMPUS

BUSINESS ADMINISTRATION AND MANAGEMENT

BUSINESS ETHICS: YEAR III 2023-24

FINAL ASSESSMENT

DATE: 24th May, 2024

TIME: 3hrs: 9:30 am-12:30

LECTURER: FR. GEORGE W. BYARUGABA

Read the Following Important Instructions carefully and follow them

a. The paper has two sections: A and B
b. Section A has only one question and it's compulsory
c. Section B has four questions and you are required to choose only three questions therein
d. All questions carry equal Marks i.e. 25 @ x4=100%
e. Highlighting, numbering or bullet-marking your points is punishable.
f. Grammatical and spelling mistakes are punishable.
g. Your paper must be legible, clean and understandable.

SECTION A: Compulsory Question (25)

1. You have been working as sales representative at a large multinational information technology company. You have developed strong friendships within the company with other sales representatives especially Karangwa, another sales representative who has become like your brother since you joined the company around the same time.

   Over the last months, Karangwa shared some personal struggles with you, and you have been doing your best to be a supportive friend. Recently, you came to know that Karangwa was dealing with some serious financial issues at home and that he was barely making ends meet, trying to support his wife and young kids while also having to financially support his aging parents. Karangwa informed you that he was taking some risky moves at work to come up with some more money and that he was really starting to worry about it. But he never fully disclosed what that entailed.

   Unexpectedly, Karangwa abruptly left the company recently, leaving you shocked and suspicious about the true nature of his activities. After few weeks, the company management committee assigned you to take over Karangwa's sales territories and get them back on track. During the transition, you discovered the extent of the financial harm that the company suffered as a result of Karangwa's actions. Through careful examination of sales transactions and accounting records, it became evident that Karangwa had engaged in a fraudulent scheme. For example, he had orchestrated a deal with an external company whereby he booked a large number of orders with delayed delivery dates. He received upfront commission payments (meaning he was paid the commission when the sale was made but not when the order was fulfilled) for nearly one hundred orders, and then split that commission with the external company. In collaboration with the external firm, Karangwa continuously pushed back the delivery dates every few months, ensuring the orders were never fulfilled. Despite the absence of payment from the external company, the tech company continued paying commission to Karangwa for these fictitious sales. Essentially, Karangwa was being compensated for sales that were listed as orders but that were never actually fulfilled.

   Reflecting on your past conversations, you became increasingly uneasy, realizing that Karangwa's desperate need for quick money through sales commissions had likely driven him to engage in this fraudulent behavior. You felt a sense of responsibility and questioned whether you could have prevented the situation, and now, with Karangwa gone from the company with no repercussions, you wondered what all of this would mean for him.

   As you assumed the responsibility of taking over Karangwa's sales territory, the company began an internal investigation to seek any information that could shed light on the issue. This presented you with a moral dilemma. During the investigation, you were asked by the director of the company if you knew any information that might help the company understand and resolve the issue. Karangwa's actions deeply troubled you as they clashed with your own moral compass.

   While you would wish to uphold your personal integrity as an individual and an employee, and disclose all you know to the company, you are worried that doing so might jeopardize your own position and potentially lead to termination if you are deemed complicit in Karangwa's actions. Additionally, you empathize with

Karangwa's difficult circumstances, understanding that he only resorted to fraud out of desperation. A part of you feels inclined to protect your friend and maintain your friendship, despite the wrongdoings committed.

Feeling caught between conflicting interests, you wonder: should you choose to remain silent and move on as quickly as possible, now that Karangwa has left the company, and avoid giving any information? After all, exposing the truth could lead to serious consequences for Karangwa, who is already dealing with significant challenges. It could also cost you your friendship. On the other hand, even if the fraud was wrong, you know that your huge company wouldn't really feel a big financial hit from the loss and that the product in question is not a life or death matter. Not every wrong can or even should be righted, you tell yourself. Moreover, your job and your reputation as a sales representative and your company's image might all be at stake if you speak up.

Questions to Consider:

a. Evaluate the most significant conflicting values presented in the above case (10 marks).
b. Basing yourself on virtue ethics describe how you would navigate the situation and resolve the dilemma (15 marks).

Section B: Choose Only Three Questions from this Section

2. Define the following terms and with relevant examples explain their importance in business management (5 marks each).
    a. Sin taxes
    b. Employment at Will
    c. Due Process
    d. Affirmative action
    e. Living wage

3. With relevant local examples, defend the following statement made by Mahatma Gandhi: "Business without ethics is... deadly thing that will destroy us" (25 marks).

4. Read the following Greek Myth and answer the questions that follow.

Once upon a time in ancient Greece, there lived a King named Midas. He had a lovely daughter whom he lovingly named Marigold. Although King Midas had immense wealth in his kingdom's treasury, he was always dissatisfied and unhappy. He was always greedy for more wealth and wished he had more gold in his treasure.

One day as he was counting gold coins and admiring his treasure rooms, a wise Greek God appeared before him who offered the King a wish for some of his good deeds. Without wasting any time, King Midas quickly wished that everything that he touched should turn into gold. The Greek God granted his wish promptly and disappeared.

King Midas was delighted about his wish being granted, he went and touched an apple tree in his garden. To his excitement, the tree turned into gold instantly. He was so thrilled that he went on touching random things all around him, which turned into gold immediately. His joy knew no bounds and he was overwhelmed with excitement. Soon he was hungry and he returned to his palace to eat some food. However, though he was starving, he was disappointed that he could not eat anything as whatever he touched turned into gold instantly.

Seeing him frustrated and troubled, Marigold came running and threw her arms around her father to comfort him. But to his dismay, even his daughter turned into gold as he touched her. King Midas' face turned pale and his heart sank with unbearable pain and grief. He was horrified upon seeing his daughter turn into a golden statue. He cried in anguish and regretted his wish for the golden touch.

Questions.

a. How would you describe King Medas?
b. What ethical lessons do we learn from this Myth?
c. Relate the above story about King Medas to business ethics?

5. It has been reported by experts from the *Federation of Uganda Employers* that workplace stress is a prevalent problem across Uganda (New Vision 3rd May, 2024).
    a. What are the possible causes of workplace stress?
    b. What are the effects of workplace stress on both the employee and the business oweners?
    c. Analyze a possible solution to address the problem of workplace stress.