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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR**  
**THIRD YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 15<sup>th</sup> April, 2022  
Time: 11.30am –1.30pm

**KBA 304 - BUSINESS ETHICS**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

**CASE STUDY- MULTINATIONAL PRACTICES IN KENYA**

Paloma Ltd is a multinational firm that deals with the manufacturing of shoes and has major operations all over the world. They have established that they want to set up a branch in Kenya in order to increase their customer portfolio in East Africa. The company has already made a down payment in all the costs involved and are now in the process of hiring employees who will be working in their Kenyan branch. They are also in the process of learning the do's and don'ts of operating in this country. This is an exciting opportunity for Kenya as it will have many benefits to the country from an economic point of view as well as offering job opportunities to the growing numbers of unemployed Kenyans.

- a) Outline the ethical principles you would advise the management team of Paloma Ltd to abide by.  
(6 Marks)
- b) As their Kenyan business advisor outline to them the major reasons why you think it is important for them to conduct their businesses ethically in Kenya.  
(6 Marks)
- c) Paloma Ltd being a multinational firm, will definitely experience some unethical behaviour from some employees in Kenya. Explain the factors that contribute to this behaviour.  
(6 Marks)
- d) In the process of searching for employees list some of the duties you would advise them to give to their ethics officer.  
(6 Marks)
- e) Highlight some of the reasons why you would encourage them to have an ethical communication system in their organization.  
(6 Marks)

**QUESTION TWO (20 MARKS)**

- a) Principle of utilitarianism recognises that pleasures differ in their quality which is as important as the quantity of pleasure. Discuss its elements. (10 Marks)
- b) According to deontological theories certain actions are right not due to some benefit to self or others but due to their basic nature or the rules underlying them. Discuss its merits and demerits. (10 Marks)

**QUESTION THREE (20 MARKS)**

- a) Examine the major determinants of business ethics. (10 Marks)
- b) Business ethics are observed by a businessman because of the consequences that would result due to their non-compliance. Discuss its regulations. (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Many entrepreneurs face ethical dilemmas on their day to day activities. Discuss its characteristics. (10 Marks)
- b) Critically evaluate the three dimensions of business ethics. (10 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Explain the benefits of business ethics to customers of an organization. (10 Marks)
- b) Examine some of the ethical guidelines used to determine ethical actions. (10 Marks)