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BA 342 (Johnson) – Exam 2 – Practice Exam Solutions

1. For this question, you should have selected *Loyalty to employer, Lifetime employer, Stable job security, Individual focus and Stable assignments*. These are all examples of the OLD social contract.
2. B; Resources available is NOT an argument you can use AGAINST the CSR approach.
3. D; Innovative. Innovation is a game changer response to CSR.
4. A; This is a strategic response to CSR.
5. C; Most companies are still waiting to define sustainability. IBM has moved far beyond this stage.
6. E; A and C. Boards of Directors and C-suite execs tend to place the most importance on sustainability.
7. A; 93% of CEOs see sustainability as critical for future business.
8. D; None of these represent a sustainability index or standard covered in class.
9. B; CSR efforts have increased for many businesses.
10. For this question, you should have selected ALL of the options, as all of these are reasons to engage in CSR.
11. C; The Employment-at-Will doctrine allows employers in the US to fire an employee at any time, with or without cause. Employees can also leave a job at any time.
12. E; All of these – Economic, Legal, Ethical and Philanthropic – are social responsibilities in Carroll's model.
13. For this question, you should have selected *Customers, Expectations in the Community, Laws and Political Pressure*. These are all EXTERNAL motivators/drivers of corporate citizenship.
14. E; Both B and D. *Owners and Employees* are not part of the production view of a firm.
15. B; Ownership.

16. For this question, you should have selected *Productions, Resources and Operations*.
17. B; Efficient operations. This is not one of the subsets of sustainability.
18. For this question, you should have selected ALL options, as ALL of these are offered by PwC.
19. C; The planet is undervalued.
20. A; The stakeholder model is used most often in the US today.
21. E; All of these are major privacy issues in the workplace today.
22. C; LEED stands for Leadership in Energy and Environment Design. You will see the LEED certification on more and more buildings as they meet this standard.
23. D; PSU mission for sustainability includes *Literacy, solutions and leadership*.
24. B; The Triple Bottom Line is a key set of guidelines we use to understand sustainability.
25. A; Enhanced leadership image
26. A; Rework is NOT one of the three Rs. They are Reduce, Reuse and Recycle.
27. C; Develop a new integrated reporting framework that encompasses natural and social capital as well as financial capital.
28. B; VW engaged in Greenwashing, which is not ok.
29. D; Firms may respond to pressures within the business by taking a Cost/Benefit approach/response to CSR.
30. E; The Stakeholder model focuses on interests, or stakes.
31. For this question, you should have selected *Tax breaks, Lower maintenance costs, and Better quality products*.
32. D; This is the Tragedy of the Commons.
33. A; We would need 5 Earths.
34. A; Environment was not under the EPA's jurisdiction.
35. C; Leverage means engaging with others as a means to greater leadership.
36. B; Philanthropic responsibilities relate to being a good corporate citizen. These are not mandated by law, but encouraged by society.
37. C; This is a physical risk.
38. B; Managing the Triple Bottom Line is NOT one of the subsets that work together to form a sustainability initiative.
39. F; Both B and C. *Make-Use-Return* and *Raw Materials – Design – Production – Remanufacturing – Distribution – Consumption – Collection – Recycling – REPEAT*
40. You should have selected *Better work environment, Improved safety, Lowered injury rates and Improved employee interactions* in this Kennametals example.
41. B; Smartphones.
42. D; Geothermal.

- 43. A; LED.
- 44. C; Compact florescent.
- 45. For this question, you should have selected *Government and Employees*. These are both major stakeholders to a given firm/company.
- 46. A; Defensive. CVS took a defensive approach in response to government and public pressure related to selling cigarettes.
- 47. E
- 48. B; Corporate social responsiveness relates to action and activity.



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BA 342 (Johnson) – Exam 2 – Check your Understanding Solutions

Check Your Understanding – Chapter 4 (Part I)

- 4.1. C; In the Kennametal case, the “People” part of the triple bottom line is the most important when looking at creating a better work environment.
- 4.2. C; It would require 5 earths to sustain this level of usage
- 4.3. All options should be chosen here; all of these are sustainable practices used by SAS
- 4.4. B; Incandescent is the cheapest short-term solution for the home
- 4.5. C; LED lights are the better long-term solution for the home
- 4.6. C; Sustainable business practices must begin at and have support from the top of your organization
- 4.7. D; The Prince’s Accounting for Sustainability Project focuses on finding a way to value the planet
- 4.8. A; Alcoa does not include PEOPLE in its approach to sustainability
- 4.9. E; None of the above; all of these are the four subsets

Check Your Understanding – Chapter 4 (Part 2)

- 4.10. D; Replenish is not one of the 3 Rs of Sustainability; Reduce, Reuse, and Recycle are the 3 Rs; Professor Guide also discussed these in his lecture on Sustainability; they are covered in Chapter 15 *and* in his lecture
- 4.11. D; The textbook says that businesses must find a way to create **value** from sustainable efforts as they commit to sustainability
- 4.12. A; According to your text, Reduce is considered the most important of the 3Rs
- 4.13. B; Caring about cultures is NOT one of the 4 categories of business sustainability
- 4.14. You should choose all EXCEPT **Restricts market for goods** and **Difficult to dispose of hazardous materials**
- 4.15. B; You did not discuss Limited Supply in class
- 4.16. You should have chosen Operations, Suppliers, Customers, Employees, and Communities

- 4.17. B; Suppliers that use renewable energy during production are not part of Wal-Mart's commitments to sustainability
- 4.18. D; LEED means Leadership in Energy and Environmental Design

Check Your Understanding – Chapter 2 – CSR

- 2.1. B; Conformance is not part of CSR
- 2.2. E; All of these are part of being a good corporate citizen
- 2.3. C; Legal responsibility is associated with following the law in the pyramid of CSR.
- 2.4. E; Wal-Mart was the first to enter New Orleans after Hurricane Katrina.
- 2.5. A; The Economic model was based on Smith's Wealth of Nations
- 2.6. D; Both A and C. Business affects society and society affects business.
- 2.7. E; None of these are among the four responses to corporate social responsibility.
- 2.8. A; This is an example of the cost/benefit response to CSR.
- 2.9. For this question, you should have selected *Traditions, Values, Reputation, Image, Business strategy and recruiting/retaining employees*
- 2.10. E; Both C and D fit the Triple Bottom Line definition.

Check Your Understanding – Chapter 3 – The Stakeholder Approach

- 3.1. D; Government is NOT part of the managerial view of a firm.
- 3.2. A; The stakeholder model is the most popular business model right now.

Check Your Understanding – Chapters 11 and 12 – The Employee Stakeholder

- 11.1. D; Individual work focus is NOT a characteristic of the new social contract.
- 11.2. B; This is POSITIVE RIGHT.
- 11.3. B; This process is an open-door policy.
- 11.4. D; Living wage.
- 11.5. D; Both A and C. The employee has a responsibility to the company and the public.

11.6. C; OSHA stands for the Occupational Safety and Health Administration.