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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.) (071)
EXAMINATION: DECEMBER - 2025
SEMESTER - VI
Sub.: Business Ethics and Values (BBA22-613)

Date : 29/12/2025**Total Marks : 60****Time: 10.00 am To 12.30 pm**

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Which of the following best describes corporate governance?
 - a) Managing employee salaries
 - b) System of rules, practices, and processes by which a company is directed
 - c) Monitoring day-to-day operations
 - d) Increasing market share
2. Ethical leadership primarily focuses on _____
 - a) Achieving short-term goals
 - b) Influencing others through honesty and fairness
 - c) Encouraging unhealthy competition
 - d) Avoiding responsibility
3. Which of the following is a professional value?
 - a) Loyalty to friends
 - b) Transparency in communication
 - c) Personal ambition
 - d)
4. The primary objective of a Code of Conduct is to _____
 - a) Increase employee incentives
 - b) Provide guidelines for ethical behavior
 - c) Reduce organizational hierarchy
 - d) Improve product pricing
5. Which of the following is an example of unethical business behavior?
 - a) Fair pricing
 - b) False advertising
 - c) Employee training
 - d) Customer support

Q. 2. State True / False (05)

1. Ethical business practices improve trust among stakeholders
 - a) True
 - b) False
2. Insider trading is considered an ethical business practice.
 - a) True
 - b) False
3. Corporate governance includes accountability, fairness, and transparency.
 - a) True
 - b) False
4. Environmental ethics focuses on a company's responsibility toward nature.
 - a) True
 - b) False
5. Ethical dilemmas occur when there is a conflict between values or principles.
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Principles of Corporate Governance
2. Corporate Social Responsibility
3. Workplace Diversity and Ethics
4. Utilitarianism
5. Environmental Responsibility of Businesses

Q. 4. Answer in detail (Any Two) (20)

1. Explain the role of ethical leadership in shaping organizational culture and promoting integrity across all levels.
2. Discuss how unethical practices can affect stakeholder trust and long-term business sustainability.
3. Describe the importance of environmental responsibility in modern business and how it influences ethical decision-making.
4. Explain the concept of corporate governance and its significance in maintaining ethical business operations.

Q. 5. (15)

A multinational food company faced intense criticism when it was revealed that its widely promoted claim of offering “100% natural” products was misleading. Despite marketing campaigns highlighting purity and natural ingredients, several of the company's best-selling food items were found to contain artificial preservatives and additives. This discovery created widespread dissatisfaction among consumers who had trusted the brand for its supposed commitment to natural and healthy food options.

Consumer advocacy groups quickly responded by filing formal complaints with regulatory authorities, accusing the company of engaging in deceptive advertising practices. As investigations progressed, the issue attracted significant media attention. News outlets reported extensively on the gap between the company's claims and the actual composition of its products. This negative coverage damaged the company's reputation and raised concerns about corporate honesty and transparency in the food industry.

Customers who once believed in the brand felt deeply misled and betrayed. Many expressed their disappointment on social media, while others chose to stop purchasing the company's products altogether. As a result, the company experienced a noticeable decline in sales, particularly in its health-focused product categories. Brand loyalty, which had been a major strength for the company, weakened significantly as consumers shifted to competitors perceived as more transparent and reliable.

Recognizing the severity of the situation, the company acknowledged its shortcomings and took corrective measures to rebuild trust. It introduced strict quality control procedures to ensure accurate product labeling and compliance with advertising standards. Additionally, the company adopted transparent labeling practices, clearly identifying all ingredients used in its products. Public communication campaigns were launched to reassure consumers of the company's renewed commitment to honesty, safety, and ethical marketing. Through these efforts, the company aimed to restore its credibility and re-establish strong relationships with customers and the broader community.

Questions:

1. What is the main ethical issue highlighted in the case?
2. What consequences did the company face due to its unethical actions?
3. What corrective measures or lessons should the company adopt for the future?