



# **BUSINESS STUDIES**

**BOOKS - SHREE RADHEY PUBLICATION**

**BUSINESS STUDIES (HINGLISH)**

**SOCIAL RESPONSIBILITIES OF  
BUSINESS AND BUSINESS ETHICS**

**Case Study**

1. Inn Trin Ltd is a well known company in telecom sector. The company is committed to treat everyone fairly with respect and dignity , regardless is difference in age, caste, creed, gender etc. It not only abide by all the laws and and pay taxes on time, but also make serve it participate in social services projects. It prefer to give fair advertisement without any exaggeration , and change fairly from its customers and maintain quality . It managers work effectively and efficiently and minimise waste to maximize the return to their

shareholders . The company is running a charitable hospital to provide medical facility to the people of that area.

In the context of above case

By quoting the line from the paragraph, Identify Interest group towards, which company is fulfilling its social responsibilities.



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2. "Build well Ltd. " is a real estate company in India. The activities of the company are

governed by values of Truthfulness. Respect  
Justices, Commitment, Trust, and Citizenship.  
The company has 6 branches across the  
country. What are the socially determined  
values which govern the activities of business  
known as ? Also describe its elements .



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[Exercise Multiple Choice Questions](#)

1. When business firms use eco-friendly method of production than they are performing social responsibilities for which group:

A. (a) customer

B. (b) employees

C. (c) community

D. (d) shareholders

**Answer: c.) community**



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2. To ensure fair and regular return on investment is related to which group :

A. (a) customer

B. (b) employees

C. (c) community

D. (d) shareholders

**Answer: d.) shareholders**



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3. When CEO of the companies are committed towards ethical code it is related to which of the following elements of ethics :

A. (a) Publication of Code

B. (b) Measuring Results

C. (c) Top Management Commitment

D. (d) Involving employees at all levels

**Answer: b.) Measuring Results**



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4. Code of conduct should be followed by which level of management

A. Top level

B. Middle level

C. Lower level

D. All of these

**Answer: d.) All of these**



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5. Ethics are:

- A. (a) Same as Law
- B. (b) Narrow than law
- C. (c) Broader than law
- D. (d) None of these

**Answer: c.) Broader than law**



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**Very Short Answer Question**

## 1. Define Social Responsibility



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2. What is the relation between ethics and moral values ?

- A. Low moral values lead to higher ethics.
- B. High moral values lead to lower ethics.
- C. High moral values lead to higher ethics.
- D. None of these

**Answer: C**



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3. What do you mean by the principle derived from social values which guide and govern the conduct of businessmen ?



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4. Give any two responsibilities of business towards customers.



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5. Name any two factors which affect the ethical behaviour of a business.



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6. Define Pollution.



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7. Give any one point of difference between Ethics and law.



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8. Give any two reasons supporting social responsibility



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**9.** Give any two reasons against social obligation.



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**10.** Do business people have skill to tackle social problems?



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**11.** Which group expects that the companies and producers must provide good quality and unadulterated goods and services as their social responsibility ?



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**12.** An enterprise behave as a good citizen, towards which group are they showing their responsibility ?



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**13.** An enterprise must provide good working conditions. Towards which group is it showing its responsibility?



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**14.** Name the concept which is concerned with what is right and what is wrong.



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**15.** What is the relation between ethics and moral values ?



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**16.** Identify the type of social responsibilities in following statements .

(a) Respect the religious sentiments of all people

(b) Helping affected people during natural calamity like earthquake or flood.

(c) Producing and selling goods for earning profit.



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## Case Studies And Hots

1. Why should a business do anything for society at large ?



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2. "Like an individual, business enterprise should also be a loyal citizen of the state."

Discuss.



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3. "A business owes certain obligations towards different groups." Identify those groups and explain the obligations of business towards those groups.



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4. What do you mean by the principle derived from social values which guide and govern the conduct of businessmen ?



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5. The businessmen are responsible for aggravating pollution, so it becomes the moral duty of businessmen to take some positive steps for controlling this problem." In

the light of this statement, explain the role of businessmen in checking pollution.



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6. What is corporate governance ? Why a businessman must assume corporate governance ?



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7. Mr. Rajiv is the owner of readymade garment factory. His main motive is maximising the profit. For this is charging high price from customer and supply low products low quality products . He is not providing good working conditions to workers and pay them minimum wages. Even he did not bother about the pollution caused by his factory . As a result his employer started leaving the job and joining the competitor . The government puts a heavy penalty on him for causing pollution and even number of customer also decrease. he was

very upset and could not understand his problem.

(a) According to you what is lacking by Mr. Rajiv ?

(b) In the above para, towards whom he did not meet social responsibility ?

(c) Explain social responsibility of business towards different groups .



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**8.** The Government banned running of an industry near to famous monument. Tajmahal , but ABC Ltd. Does not go by order of the court and continue operating there.

(a) Is the company fulfilling its responsibility ?

(b) State case for social responsibility ?



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**9.** A company is manufacturing Fairness Cream using synthetic products and bleach but Co. is



advertising its cream as herbal cream.

Company did not mention the ingredients on the pack. What values are violated by company ?



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**10.** A chemical manufacturing company did not install anti pollution plant as a result the manufacturign unit created air and water pollution and degraded the environment . Is the action of the company ethically justified ?



11. ABC Chemicals Limited has become the leader in manufacturing and sale of 4 e- saving drugs in India. It provides medicines as per the prescribed standards and always prints correct dates of expiry of each batch of drugs. Every month, it organizes free medical camp for the residents of Mumbai slums. It strictly follows the provisions of Environment Protection Act. Mean Refineries (P) Ltd. has its factory in the midst of the over polluted old

Delhi area. Its license under the Air pollution Control Act has expired and it has crossed the emission standards of pollution. It creates lots of nuisance and dirt in the area and sells low quality oil at high rates. Study the given facts and answer :

(a) Which two social responsibility have been overlooked by Mean Refineries ?

(b) What two values have been preserved by the chemical company that are essential in the long term interest of the company ?

(c) What is the social responsibility of both the companies towards the government.



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**12. Benevolent Pharmaceuticals Ltd. Board of** directions always ensure that all the long term decisions are in accordance with the law of the country and moreover in the interest of the public and stakeholders . In a financial debate on CNN news channel, its Chairman explained as to how expenditure on fulfilling social responsibilities of their business is nt a burden. In the light of the above example , what are the different stakeholders in a

business enterprise and what are the different ways by which responsibility towards each of them ought to be fulfilled by the management of the company ? Write a detailed explanatory note.



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**13.** In the case of Satyma Ltd. Whereby its top official had put the interest of shareholder at stake . In spite of the dominant role of profit in the running of business today, there is a

growing realization all over the world that now it is very important for every business to assume Corporate Governance . Illustrate with reasons.



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## Guidelines To Ncert Questions

1. Social responsibility is

A. (a) Same as legal responsibility

B. (b) Broader than legal responsibility

C. (c) Narrower than legal responsibility

D. (d) None of them

**Answer: b.) Broader than legal responsibility**



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2. If business is to operate in a society which is full of diverse and complicated problems , it may have

A. (a) Little chance of success

B. (b) Great chance of success

C. (c) Little chance of failure

D. (d) No relation with success or failure

**Answer: a.) Little chance of success**



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**3. Business people have the skills to solve**

A. (a) All social problems



B. (b) Some social problems

C. (c) No social problems

D. (d) All economic problems

**Answer: b.) Some social problems**



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**4.** That an enterprise must behave as a good citizen is an example of its responsibility towards

A. (a) Owners

B. (b) Workers

C. (c) Consumers

D. (d) Community

**Answer: d.) Community**



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**5. Environmental protection can best be done  
by the efforts of**

A. (a) Business people

B. (b) Government

C. (c) Scientists

D. (d) All the people

**Answer: d.) All the people**



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**6. Carbon monoxide emitted by automobiles  
directly contributes to**

A. (a) Water pollution

B. (b) Noise pollution

C. (c) Land pollution

D. (d) Air Pollution

**Answer: d.) All the people**



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7. Which of the following can explain the need for pollution control?

A. (a) Cost savings

B. (b) Reduced risk of liability

C. (c) Reduction of health hazards

D. (d) All of them

**Answer: c.) Reduction of health hazards**



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**8. Which of the following is capable of doing maximum good to society**

A. (a) Business success

B. (b) Laws and regulations

C. (c) Ethics

D. (d) Professional management

**Answer: c.) Ethics**



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**9. Ethics is important for**

A. (a) Top management

B. (b) Middle-level managers

C. (c) Non-managerial employees

D. (d) All of them

**Answer: d.) All of them**



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**10.** Which of the following alone can ensure effective ethics programme in a business enterprise ?

A. (a) Publication of a code

B. (b) Involvement of employees

C. (c) Establishment of compliance mechanisms

D. (d) None of them

**Answer: d.) None of them**



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**Short Answer Questions**



1. What do you understand by social responsibility of business ? How is it different from legal responsibility ?



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2. What is environment ? What is environment pollution ?



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**3.** What is business ethics ? Mention the basic elements of business ethics.



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**4.** Briefly explain (a) Air pollution , (b) Water pollution , and (c) Land pollution.



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5. What are the major areas of social responsibility of business ?



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## Long Answer Questions

1. Build up arguments for and against social responsibilities.



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**2.** Discuss the forces which are responsible for increasing concern of business enterprises toward social responsibility.



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**3.** Business is essentially a social institution and not merely a profit making activity . Explain.



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4. Why do the enterprises need to adopt pollution control measures ?



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5. What steps can an enterprise take to protect the environment from the dangers of pollution?



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6. Explain the various elements of business ethics.



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## Test Yourself Very Short Answer Type Questions

1. Explain the meaning of social responsibilities .



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2. Define Business Ethics.



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3. Briefly explain the obligation of business towards owners and investors.



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4. How is business ethics different from law ?



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5. How can a business enterprise improve its public image by performing social responsibilities ?



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6. What obligations does a businessman have towards the government ?



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## Short Answer Type Questions

1. Define pollution. Describe the need to control pollution.



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2. What are the responsibilities of business towards employees and consumers ?



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3. Give any four reasons against the social responsibilities of a businessman .



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4. What are the major causes of environment pollution ?



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5. Explain the various elements of business ethics.



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## Long Answer Type Questions

1. Explain briefly the social responsibilities of business towards different interest groups.



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