

University of Pune
Department of Management Sciences
MBA-BT Semester IV
Semester End Exams April 2011
401- Business Ethics and Value Management

Question Paper: 60marks

Time: 3Hrs

Notes: a) Question paper is divided into Part 'A' and Part 'B'. Part 'B' is compulsory. Please answer any THREE questions from Part 'A'. Please give as many examples as possible to enrich your answers.

b) Please use legible handwriting

-x-x-x-

Part 'A' (Any 3)

(Note: All questions in Part 'A' carry 10 marks each).

- Q1) Define Ethics in your own words. Compare Ethics with other guidelines for behavior.
- Q2) How would you behave ethically in the next 5 years of your life?
- Q3) How corruption can mar the quality of life of your children?
- Q4) What are the ethical challenges in the functional areas of Marketing and Finance?
- Q5) What is CSR and how it can benefit a company?
- Q6) Pls write short notes on ANY TWO of the following:
 - a. Euthanasia
 - b. Whistleblowing
 - c. Giving proxy attendance

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Part 'B'

Q7) How ethical behavior has played an important role in social and business networks from historical to modern times? **(5 marks)**

Q8) Pls study the case below and answer the given questions. Pls feel free to add any further comments as relevant: **(25 marks)**

"THE PORTABLE ULTRASONOGRAPH"

"Never before has it happened in my life. We have failed in our public relations", bemoaned Virji Suratwala, Chairman, Universal Electronics, as he watched the small group headed by Dr. Arulnayagam (hereafter referred to as the doctor), fasting in front of his factory gates. Their banners proclaimed to the whole world that 'Universal Electronics are mercenary murderers of innocent babies'. As they caught a glimpse of Virji's face, they roared lustily.

The doctor was protesting against the latest Universal Electronics product, a much-vaunted revolutionary technology in ultrasonography brought into the country in collaboration with a world-famous American multinational. The product was a small-sized, portable, ultrascan sonographic recorder, small enough to be packed in a briefcase. The foetus tests would become much easier and could be carried out even at home. For a year the doctor had tried every other means to persuade Universal not to make it. Picketing was his last desperate step to stop them.

The doctor felt that in India the instrument could have only one effect. It would dramatically increase the number of female foeticides as it would be easier to determine the sex of the child; if it was a girl it would be aborted. For their complicity in this unethical outcome, he branded Universal Electronics as the most unethical company in India. Paradoxically, both Universal Electronics and the American multinational with whom they were collaborating prided themselves as being ultra-ethical. Both companies had won many international awards for ethical excellence.

Ironically, the American company had also provided that the Indian company should distribute along with the machine a note by a known American doctor on the ethics of using the ultrascan machine. It said that the chances of a baby girl being mistaken for a baby boy were seven per cent in the first 20 weeks of pregnancy and therefore it would be unethical for parents with a history of haemophilia to abort a child identified as male just because the chances of males getting the disease were high. But the notes ignored that baby boys can never be mistaken for baby girls. It frivolously also added that one might as well wait for the baby to be born before deciding if the nursery walls should be coloured pink or blue!

Universal Electronics had been chosen after a long search for an ethically strong Indian company. Virji still recalled the demeaning ethical examination he was put to by the foreign multinational. 'As if all Indians are crooks and all Americans are angels', he remarked. 'We have given up crores of rupees of profits because we refused to offer bribes. And everyone knows that in this industry, bribery is most rampant', he added. He was speaking the absolute truth. He had ensured that the induction program for his new recruits drilled them on ethics. The slightest fall in standards would mean the sack. For him, unethical behaviour meant only corruption. This perception of unethicity was also shared by the foreign collaborator.

Virji's legal advisors first disputed the doctor's statistics. But that was a fruitless approach. He was a well-respected public health statistician. He could back his statistics to the hilt. Then the PR line harped on the woman's right to abort 'abnormal foetuses'. The doctor then detailed case histories to show that in most of the decisions, the new portable instrument could be used secretly. The family seniors could overrule the mother.

Social activists had little opportunity to intervene. Otherwise they could at least park themselves in front of the sonography clinics. The abortion usually pushed the mothers into months of intense depression. Universal's next line of defense was that the instrument did nothing more than make the currently used technology more efficient and cost-effective. The machine could easily be moved into the labour rooms in hospitals and used concurrently with the delivery of the child. If earlier sonographs were all right, then portable sonographs too were all right. The doctor countered this by saying that the new portable technology was like giving the users a pistol with a silencer to kill a person and destroy evidence.

Lastly, Universal stated that the instrument was only a means of ascertaining the medical facts correctly and could have many other positive uses other than determining the sex of the child. It could detect foetal abnormalities. If used for criminal purpose (foeticide), the perpetrators of the crime were either the mother and those who forced her or her doctor, and not Universal. They quoted the provisions of the Prenatal Diagnostic Techniques Act 1994 under which communicating the sex of the foetus to the mother is an offence punishable with a three-year prison sentence and the doctor concerned can be struck off the membership of the state medical council. The mother and other family members can also be punished. All users of such machines had to be registered under the Act.

Universal thought they had clinched the legal angle. But the Dr. Arulnayagam had no patience for legal or ethical analyses. He said that he was not doing a right or wrong analysis but a with or without analysis. With the instrument, babies were killed. Virji's world was crumbling. His company's ethical image was being mercilessly shaken up. He was convinced that Universal was not being unethical, but he doubted if others would look at it the same way. 'If only I had persuaded the doctor before his views had got hardened, everything would have been fine. It was a failure of my PR and not ethics,' he said and cursed his fate.

If he now went back on the project, Universal would lose at least Rs. 20 crores.

(The case is not entirely fictional. Voluntary agencies have been agitating exactly in the manner described here. It is also a fact that the company marketing and manufacturing the products, as also their foreign collaborators, have a strong ethical reputation. But their ethical culture is oriented towards anti-corruption rather than product responsibility).

Please answer the following questions and discuss any other ethical issues that come to your mind in relation to this case,

1. Do you agree with Virji that the problem in the case arose because of the failure of public relations and that it was not an ethical failure?
2. What is your suggestion to Virji?