

CHAPTER-6 SOCIAL RESPONSIBILITIES AND BUSINESS ETHICS

SHORT ANSWER TYPE QUESTIONS

1. Explain briefly the responsibilities towards :
 - a) Consumers
 - b) Employees
 - c) Government
2. Explain in short the role of business in prevention of environmental pollution.
3. What do you mean by corporate social responsibility.
4. " Today businessmen are more conscious of their responsibilities." Explain why, by giving only three reasons.
5. Give few examples of companies fulfilling their social responsibilities.
6. State the essential features of business ethics.

LONG ANSWER TYPE QUESTIONS

1. Discuss the forces which are responsible for increasing the concern of business enterprise towards social responsibility.
2. What steps can an enterprise take to protect the environment from the dangers of pollution?
3. Define environmental pollution. Explain the various types of pollution caused due to business activities.
4. Explain the various factors determining business ethics in a society.
5. Business is essentially a profit making organization. Discuss the arguments against social responsibility.
6. Why are managerial ethics important? How do organizations gain out of ethical behavior?
7. "Like an individual , a business enterprise should also be loyal citizen of the state." Discuss.
8. "Besides pursuing economic objectives , it is necessary that business also pursue social objectives" comment

HIGH ORDER THINKING QUESTIONS:

1. " Environment protection is required not merely to avoid criticism from public, but also to enjoy working in a healthy atmosphere" Comment.
2. Identify the kind of social responsibility in the following activities a business conducts:
 - a) Contributing for the resettlement of the riot hit victims.
 - b) Sensitizing employees to respect others sentiments and religious beliefs.
 - c) Producing goods and services as per the customers taste and preference.
 - d) Purchasing goods of foreign origin through proper channel of import.
 - e) payment of taxes honestly and timely.
 - f) Business does not involve itself in speculative activities to earn quick profits.
 - g) Opening a charitable hospital.

3. Check if the following statements are true or false. Give reasons for your answer.

a) Business must focus on profit maximization only.

b) Business management is not legally committed to pay dividends to the shareholders.

c) Discretionary responsibilities of business imply performance of legal duties.

4. 'Business enterprises are the creators of pollution ' Do you think business enterprises must take prime responsibility to control pollution?

5. Removal of mobile towers from residential areas is being planned by the government to promote which values.

6. A manufacturer of refrigerator uses new technology in place of using harmful gases, which do not causes air pollution . Which value is being followed here.

CHAPTER-7: SOURCES OF BUSINESS FINANCE

SHORT ANSWER TYPE QUESTIONS:

1. Suppose you have to invest either in secured debentures or in unsecured debentures. In what type of debentures will you prefer to invest and why?
2. What are the merits of taking loan from commercial banks?
3. Define Public Deposits. What are the advantages of using public deposits as source of finance?
4. Why trade credit is considered as an important source of short term finance?
5. What are the merits of issuing commercial paper as source of corporate finance?
6. What are ownership funds? Explain any three features of ownership funds.
7. Explain the following terms:
 - a) Lease Financing
 - b) Working Capital.

LONG ANSWER TYPE QUESTIONS

1. Explain Retained earnings as an important source of business finance.
2. Differentiate between :
 - a) Owners Fund and Borrowed Fund
 - b) Shares and Debentures.
3. Explain the various financial instruments used in international financing.
4. If you have Rs.50,000 to invest, would you invest in equity shares, preference shares, public deposits. Comment with reason.
5. Explain the various considerations borne by the companies while raising finance from various sources.

HIGH ORDER THINKING QUESTIONS:

1. You have made capital gains of Rs.1,00,000 recently. You now want to invest this amount in securities issued by companies. Would you invest in equity shares, prefer shares or debentures? Justify.
2. "Equity shares is the best source of finance for companies" Do you agree? Give reasons.
3. The directors of a limited company have decided to expand the business activities which need cost of Rs. 30 lakhs. As a finance manager, advice the directors about the various sources to raise finance for this purpose.