**TRUE/FALSE (5 questions)**

**Indicate whether the following sentences or statements are true or false.**

|  |  |  |
| --- | --- | --- |
| 1. | \_\_\_T\_\_\_\_ | Most businesses feel they have an obligation to operate their business from an ethical standpoint. |
| 2. | \_\_\_F\_\_\_\_ | Corporate responsibility and business ethics are the same thing. |
| 3. | \_\_\_T\_\_\_ | Consumers have indicated a strong desire for businesses to invest in corporate responsibility, and to curb practices like unethical labor strategies and child labor. |
| 4. | \_\_\_T\_\_\_\_ | Corporate activism can have both positive and negative impacts on a business. |
| 5. | \_\_\_F\_\_\_\_ | How a business or brand responds to political issues does not influence their reputation. |

## MULTIPLE CHOICE (5 questions)

**Identify the letter of the choice that best completes the statement or answers the question.**

\_\_\_\_B\_\_\_1. \_\_\_\_\_\_\_\_\_ is a decision-making process where consumers spend money in a way that aligns with their personal values.

a. Corporate responsibility b. Ethical consumerism

c. Corporate activism d. Consumer responsibility

\_\_\_\_D\_\_\_ 2. \_\_\_\_\_\_\_\_\_\_ is an example of poor business ethics.

a. Bribery b. Fraud

c. Discrimination d. All of the above

\_\_\_\_C\_\_\_ 3. \_\_\_\_\_\_\_\_\_\_\_ refers to a business or brand’s impact on society, the environment, and the economy.

a. Ethical consumerism b. Corporate activism

c. Corporate responsibility d. Business ethics

\_\_\_\_D\_\_\_ 4. Which of the following are possible results of corporate activism?

a. Alienating certain customers b. Increased employee morale

c. Increasing brand reputation d. All of the above are possible results of corporate activism.

\_\_\_B\_\_\_\_ 5. \_\_\_\_\_\_\_\_\_\_\_ is the obligation businesses have to operate from an ethical standpoint.

a. Consumer ethics b. Business ethics

c. Corporate responsibility d. Corporate activism

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## SHORT ANSWER (2 questions)

1. Give an example of how a business or brand responded to a political issue and how it influenced their reputation with consumers.

Student answers may vary.

* In 2022, the Walt Disney Company’s reputation took a significant hit according to the annual Axios/Harris Poll 100 that gauges the reputation of U.S. brands. Disney dropped from 37th to 65th in corporate reputation rankings, after the company’s indecisiveness in how to respond to Florida’s “[Don’t Say Gay](https://www.axios.com/florida-dont-say-gay-bill-a370fae1-9381-4326-99a1-2781ad15db29.html)” bill. "Disney’s about face shows the reputational hit that comes when the public perceives you as being calculating rather than clear in what you believe in and stand for," said John Gerzema, CEO of The Harris Poll.
* According to the same poll, McDonald’s [slow response](https://www.cnbc.com/2022/03/07/ukraine-news-mcdonalds-declines-to-comment-on-war-has-exposure-in-russia.html) to the war in Ukraine resulted in a fall of 13 spots in the rankings while brands like Hobby Lobby and Chick-fil-A who have long-held political affiliations also saw their reputation rankings decline.
* In 2020, Unilever, one of the biggest consumer goods companies in the world, [pledged](https://www.washingtonpost.com/business/2020/02/14/ice-cream-unilever-kids) to change the way it marketed ice cream products in response to rising childhood obesity rates in America.
  + The company announced it would no longer advertise ice cream to children under the age of 12 in television and print ads and through social media channels for children under the age of 13.
  + Unilever also said it would not promote ice cream products in schools or in children’s films and discontinue any celebrity or influencer marketing practices, nor would it use licensed cartoon characters in its marketing.
  + The company said in a statement, “The World Health Organization [names](https://www.who.int/en/news-room/fact-sheets/detail/obesity-and-overweight) childhood obesity as one of the most serious public health issues of the 21st century. And it’s a key reason why Unilever is committing to new principles on marketing and advertising foods and beverages to children.”

2. What are some of the results of unethical behavior within a business, and what steps might they take to change course after unethical behavior has been exposed.

Student answers may vary.

When issues arise and a business or brand is plagued by negative publicity, it erodes consumer trust. When consumer trust is lost, the organization will sometimes completely reset by rebuilding its corporate mission, communicating a strong purpose or sense of value, and replacing the company’s leadership with new executives with a strong sense of business ethics and a commitment to corporate responsibility.