

Program: PGDM-RM (Batch2017-19), Trimester-VI
Subject: Ethical & Legal Aspects of Retail Business
(End Term Examination)

Maximum Marks: 50

Duration: 3 Hours

Date : 08/04/2019

Instructions

1. Attempt Sections I & II in separate answer sheets. Each section consists of Marks 25 each.

SECTION I
(Maximum Marks: 25)

Note:

1. Question 1 of Section I is compulsory.
2. Attempt any **one** question from Questions 2 & 3 of Section I

QUESTION 1: Case Study (Compulsory Question)
15)

(Marks

From the case study 'Blossom Inners: Designing Nonsensual Communication for Lingerie Marketing', answer the following questions:

1. Discuss the philosophical connection between Blossom and Alende Design. How will this connection contribute to developing an ethical effective communication? **(Marks 04)**
2. Explain the role of ethics in marketing communications. Justify. Suggest an ethical marketing communication mix for Blossom. **(Marks 06)**
3. Can companies succeed when they marry profit with purpose? Defend your position that values can or cannot play an important role in business. **(Marks 05)**

QUESTION 2: Case Study
10)

(Marks

Mike Bradley was well established in his career in human resources when he went to work for a mid-size, IT company located in the Bay Area. At the time, Arthur Andersen had just gone out of business for illegal accounting practices and ethics scandals were all over the news. But against the grain, Mike's new company had taken the commitment to ethics to a new level. The company made a conscious effort to dedicate itself to be an employer that actively supported ethical business practices. They wanted employees to be comfortable speaking up about ethical issues, so they partnered with an external ethics company which fielded anonymous phone calls about ethics concerns. In addition, each employee was

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required to navigate an online values course that provided ethical dilemmas for employees to solve. Mike felt comfortable knowing his company took ethics seriously.

After two years with the company, Mike encountered a situation that questioned his morals. He had been assigned to create an online tool designed to explain the inner workings of the company to each employee. He had committed to having it done in two weeks, but he encountered a problem: some of the content necessary for the online tool was under copyright. Mike knew that he didn't have time to request use of the material. He also knew that, if he used it illegally, it was likely nobody would notice.

"Deep down I knew it wasn't right to use the content," said Mike.

Flagging this as a concern for the company since this would delay the project, but at the same time Mike was committed to the ethical stance of the company, so he went to the management team. He told them that, although he knew he wanted the project done, he would be forced to violate the company's stance to accomplish the project on time.

Mike offered two options to the management: they could purchase the content or eliminate it from the online tool. Either way, the project would be delayed. Mike was quickly praised by the management for bringing the issue to their attention. Managers told him that he did the right thing.

Questions:

- a. Assuming that unauthorized use of copyrighted material may be illegal; do you also think it's unethical? Why or why not? **(Marks 04)**
- b. Do you think Mike would have made the same decision if his company had not had an extensive internal ethics policy? Name at least three things that you think indicate whether a company is committed to ethics or not. **(Marks 06)**

QUESTION 3:

(Marks

10)

Amanda Pierce, a certified public accountant, is a member of the Hoffman Estates zoning board. The board is reviewing a request to rezone a large section of property on the outskirts of town. The zone change would permit Circuit City, a national electronics retailer, and Wal-Mart, a national discount superstore to build property if the zoning is approved. Circuit City would feature computer, camera, radio, video, television, and other electronics products. A car sound system installation shop and electronic repair shop will be included. The Super Wal-Mart would consist of a grocery store, deli, auto repair and tire installation shop, toys, men's and women's clothing, pet accessories, electronics, sporting goods, automotive products, home accessories, a salon, eye care service, and a lawn and garden area. The plans also include a coffee, beverage, and sandwich shop.

Developers believe that Circuit City and Wal-Mart would improve the community and offer citizens quality merchandise at significantly lower prices than they are now paying. Local landowners are worried about their ability to sell the property unless it is rezoned; this is the only large piece of undeveloped land in Hoffman Estates. However, local retail storeowners have expressed fears that the

giant retailers will force them out of business. Other business owners have pointed out that the closing of retail stores in the central business district will have a negative impact on other businesses and the community at large.

Amanda Pierce knows most of the people who have presented their side of this issue; some of them are clients of hers. Understanding the possible negative impact the new stores could have on many of her firm's small retail clients, Amanda has decided to vote against the rezoning. In a three-to-two vote, the zoning board denies the rezoning request.

Questions:

1. Is this action illegal? Explain your reasoning. **(Marks 04)**
2. Does the action violate company or professional standards? Justify your answer. Who is affected, and how, by the action? Discuss in detail. **(Marks 06)**