

Check Yourself

In the sentences below, fill in the blanks with the correct answer.

1. Ethics are a set of _____ principles that govern decisions and actions.
2. The golden rule is “do unto others as you would have them do unto _____.”
3. A business creates transparency by _____ with people inside and outside the company about its decisions and actions.
4. The expression “the buck stops here” means that an individual or business takes _____ for decisions.
5. A code of ethics describes a company’s moral philosophy and gives _____ guidelines for carrying it out.
6. An industrial design, product, or process is intellectual property protected by a _____.
7. Copyrights protect _____ expressions, such as musical compositions or literary works.

Circle whether each statement is true or false.

8. True False All cultures express and enforce ethical standards in the same way.
9. True False People trust a company that has a reputation for acting ethically.
10. True False Transparency lets people see what a business is doing, and why.
11. True False Everyone has a right to know everything a company does.
12. True False Ethical businesses discourage and punish whistle-blowers.
13. True False People can have the same values but act upon them differently.
14. True False Patents protect music and paintings from being copied.

Extend Your Knowledge

Businesses can get into legal trouble when they use another company’s intellectual property without permission. Use the Internet to research the case of Ty, Inc. (maker of Beanie Babies) against Softbelly’s, Inc. Describe the case to the class. What happened and what was the outcome? Also discuss how this case serves as a lesson to new entrepreneurs who may be tempted to copy too closely the products of successful companies. Make sure your talk is the length specified by the instructor.