

**MGT-610**  
**Final Term Subjective**  
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**How Adam Smith or Utilitarian are criticized      marks 3**

Locke's critics focus on four weaknesses in his argument:

1. The assumption that individuals have natural rights: This assumption is unproven and assumes that the rights to liberty and property should take precedence over all other rights. If humans do not have the overriding rights to liberty and property, then the fact that free markets would preserve the rights does not mean a great deal.
2. The conflict between natural (negative) rights and positive rights: Why should negative rights such as liberty take precedence over positive rights? Critics argue, in fact, that we have no reason to believe that the rights to liberty and property are overriding.
3. The conflict between natural rights and justice: Free markets create unjust inequalities, and people who have no property or who are unable to work will not be able to live. As a result, without government intervention, the gap between the richest and poorest will widen until large disparities of wealth emerge. Unless government intervenes to adjust the distribution of property that results from free markets, large groups of citizens will remain at a subsistence level while others grow ever wealthier.
4. Individualistic assumptions and their conflicts with the ethics of caring: Locke assumes that people are individuals first, independent of their communities. But humans are born dependent on others, and without caring relationships, no human could survive. The degree of liberty a person has depends on what the person can do. The less a person can do, the less he is free to do. But a person's abilities depend on what he learns from those who care for him as well as on what others care to help him to do or allow him to do.

**About Galbraith Affluent Society      Marks 3**

In the Affluent Society Galbraith asserts that classical economic theory was true for the eras before the present, which were times of "poverty"; now, however, we have moved from a state of poverty into an age of "affluence," and for such an age, a completely new economic theory is needed.

How far must manufacturer and their representatives go to make their product and services completely safe? The "due care" view holds then that, because consumers must depend on the greater expertise of the manufacturer, the manufacturer not only has a duty to deliver a product that lives up to the express and implied claims about it, but also has a duty to exercise due care to prevent others from being injured by the product even if the manufacturer violates this duty and is negligent when there is a failure to exercise the care that a reasonable person could have foreseen would be necessary to prevent others from being harmed by use of the product. Due care must enter into the design of the product, the choice of reliable materials for constructing the product, the manufacturing processes involved in putting the product together, the quality control used to test and monitor production, and the warnings, labels, and instructions attached to the product. In each of these areas, according to the due care view, the manufacturer, in virtue of a greater expertise and knowledge, has a positive duty to take whatever as possible, and the customers has a right to such assurance. Failure to take such steps is a breach of the moral duty to exercise due care and a violation of the injured person's right to expect such care – a right that rests on the consumer's need to rely on the manufacturer's expertise.

### **Explain ethics of conserving depletable resources marks 5**

Conservation refers to the saving or rationing of natural resources for later use. Conservation, therefore, looks primarily to the future: to the need to limit consumption now to have resources available for tomorrow. In fact, even pollution control can be seen as a form of conservation, since pollution consumes air and water. However, there are basic differences between the problems of pollution and the problems of resource depletion that makes the term conservation more applicable to the latter problems than to the former. With some notable exception (such as nuclear wastes), most forms of pollution affect present generations, and their control will benefit present generations. The depletion of most scarce resources, however, lies far in the depletion of resources is primarily by posterity and not by present generations. Consequently, our concern over the depletion of resources is primarily a concern for future generations and for the benefits that will be available to them.

### **Social costs view of the manufacturer's duties marks 3**

A third theory on the duties of the manufacturer would extend the manufacturer's duties beyond those imposed by contractual relationships and beyond those imposed by the duty to exercise due care in preventing injury or harm. This third theory holds that a manufacturer should pay the costs of any injuries sustained through any defects in the product, even when the manufacturer exercised all due care in the design and manufacture of the product and has taken all reasonable precautions to warn users of every foreseen danger. According to this third theory a manufacturer has a duty to assume the risks of even those injuries that arise out of defects in the product that no one could reasonably have foreseen or eliminated. The theory is strong version of the doctrine of caveat vendor: let the seller take care.

### **What is Affluent Society? 3**

The Affluent Society Galbraith asserts that classical economic theory was true for the eras before the present, which were times of "poverty"; now, however, we have moved from a state of poverty into an age of "affluence," and for such an age, a completely new economic theory is needed.

### **What does it mean "treating humanity as an end" 3**

What Kant means by "treating humanity as an end" is that everyone should treat each human being as a being whose existence as a free rational person should be promoted. For Kant, this means two things:

1. Respect each person's freedom by treating people only as they have freely consented to be treated beforehand, and
2. Develop each person's capacity to freely choose for him or herself the aims he or she will pursue.

### **Define Green marketing and its activities. 3**

Marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution.

#### Green marketing activities

- Green Factory Certification System
- Green Products Certification System
- Green Marketing Activities

### **Differentiate advertising and publicity 3**

Advertising and publicity are two very different communication tools, even though both employ the mass media as a vehicle for reaching large audiences.

- Traditionally, most marketers placed heavy reliance on advertising and only occasionally used publicity.
- On the other hand, public relations practitioners have primarily relied on publicity--or, as they sometimes prefer to call it, media relations--and only rarely used advertising.

This does not mean that advertising should be seen only as a marketing tool and that publicity should be seen only as a public relations tool. Thoughtfully used, both tools are valuable for both functions.

### **Anti-trust views      5**

the antitrust view argues that prices and profits in highly concentrated industries are higher than they should be. By breaking up large corporations into smaller units, they claim, higher levels of competition will emerge in those industries. The result will be a decrease in collusion, greater innovation, and lower prices. Clearly, the antitrust view is based on a number of assumptions. J. Fred Weston has summarized the basic propositions on which this traditional view is based:

1. If an industry is not atomistic with many small competitors, there is likely to be administrative discretion over prices.
2. Concentration results in recognized interdependence among companies, with no price competition in concentrated industries.
3. Concentration is due mostly to mergers because the most efficient scale of operation is not more than 3 to 5 percent of the industry. A high degree of concentration is unnecessary.
4. There is a positive correlation between concentration and profitability that gives evidence of monopoly power in concentrated industries—the ability to elevate prices and the persistence of high profits. Entry does not take place to eliminate excessive profits.
5. Concentration is aggravated by product differentiation and advertising. Advertising is correlated with higher profits.
6. There is oligopolistic coordination by signaling through press releases or other means.

### **Positive and negative aspects of advertising      5**

#### **Positive aspect:**

##### **Awareness**

Simply reaching out to the market to let them know you exist is a primary initial objective of advertising. No matter how great your product or service, if no one knows you exist, you cannot sell to them. An effective and often repeated advertisement helps your target audience become more familiar with your brand and ideally recall it when a need arises for which your brand intends to meet.

##### **Induce Business**

Advertisements are sometimes intended to induce immediate sales and revenue. Presentation of sales promotions through ads is a way to drive business quickly. Television and radio ads can communicate your message. In print advertisements, such as with magazines and newspapers, you can include sales promotion tools, such as a coupon, right in the ad. New businesses often use promotions to build a customer base, but they are also used to sell excess inventory and create cash flow when needed.

##### **Information and Education**

In his January 2011 article "Unappreciated Benefits of Advertising and Commercial Speech" for the website The Technology Liberation Front, Adam There points out that advertisements sometimes serve to inform and educate consumers. This is especially true when new brand or products are introduced to the market or when product complexity means more education is required.

Understanding the value of an advertiser's brand relative to the needs they have helps consumers make more informed decisions.

##### **Return on Investment**

From a financial standpoint, advertisements should generate a return on investment, indicates Dan Keen of Break Studios in his April 2010 article "10 Benefits Of Advertising." Advertisements cost money to

develop and place. Companies consider how much return of investment they get in the form of heightened consumer awareness, improved brand sentiment or direct sales. Evaluating results of advertisements is vital for companies to confirm a return on investment and to avoid wasteful messages that do not accomplish the intended results

***Negative aspects:***

1. Advertising fosters greediness, discontent, and the wrong kind of competitiveness between people--that is, not the competition for excellence, but of things; it fosters self-esteem based on consumerism, and human worth is equated with brand names and conspicuous consumption.
2. It is hurtful to human relationships. The growth of selling through sexism and sexual exploitation is one important growing failure in man-woman relationships. It is one of the reasons why the woman over 45 is considered worthless, and tossed on the social dump heap.
3. Advertising, as it now exists, weakens character structure through appeal to selfishness and self-centeredness.  
Advertising is a powerful educational force, counteracting certain aspects of formal education through an appeal to illogic and irrationality.

**Safety and privacy of internet transaction 5**

There are several ways to help ensure safe transactions on the Internet, and more are becoming possible all the time. Some of these include:

- Stored-value cards (cards that you can buy with specified, loaded dollar amounts)
- Smart cards (cards that can act as credit cards, debit cards and/or stored-value cards)
- Point-of-sale (POS) devices (like your PDA or mobile phone)
- Digital cash
- E-wallets
- Online payment services like PayPal

The most prevalent method for paying for the things you purchase online is still the credit card. The following list provides some tips on how to make sure your transaction is secure. For a more extensive explanation of encryption and Internet security, check out How Encryption Works.

- **Use the latest Internet browser.** The program that you use to surf the Internet is called a browser. This software has built-in encryption capabilities that scramble the information you send to a server. Using the most recent browser ensures that the data is protected using the latest encryption technology. This technology also uses a Secure Sockets Layer (SSL), which is an Internet security protocol used by Internet browsers and Web servers to transmit sensitive information. The server receiving the data uses special "keys" to decode it. You can make sure you are on an SSL by checking the URL -- the http at the beginning of the address should have changed to https. Also, you should notice a small lock icon in the status bar at the bottom of your browser window.
- **Look for digital certificates** that authenticate the entity you are dealing with. Independent services like VeriSign will authenticate the identity of the Web site you are visiting. Web sites that use this service (usually those that sell items or services online) will have the VeriSign logo. By clicking on the logo, you can be assured that the site is legitimate, rather than a clone of the legitimate company set up to collect your personal and financial information.



- **Read the privacy policy.** The information you enter on the Web site should be kept confidential. Make sure you read the company's privacy policy to ensure that your personal information won't be sold to others. Services like Trust-E review a company's privacy policy (for a fee) and then allow the company to post the Trust-E logo if its privacy policy follows certain industry standards for consumer protection.
- **Only use one credit card** for all of your online purchases.
- **Never give out passwords or user ID information online unless you know who you are dealing with** and why they need it. Don't give it out to your Internet service provider if you get an e-mail requesting it. This is a relatively recent scam used to access your account and get your credit card number, along with whatever other personal information is there.
- **Keep records of all of your Internet transactions.** Watch your credit card statement for the charges and make sure they're accurate.
- **After you've made purchases online, check your e-mail.** Merchants often send confirmation e-mails or other communications about your order.

### **Water Contamination - what can we do to solve this problem?**

Here are the things world needs to do in order to solve water pollution issue:

1. Strict laws and frequent monitoring of water bodies in order to avoid scenarios that include huge quantities of different chemicals being discharged either directly or indirectly into our rivers, lakes, and streams.
2. Better education of the people. People, especially the ones living in developing countries, need to be more educated and learn that water is the most precious resource in our planet.
3. Enable more funds to adequately treat waste water and sewage waste. This means at least the basic sanitation in all countries of the world. In India for instance 700 million people still have no access to basic sanitation (a proper toilet).
4. Frequent chemical, biological and physical testing of different water bodies in order to prevent water pollution from reaching higher levels.
5. Massive fines for industries and people that purposely dump waste and other chemicals into different water bodies.
6. More wastewater treatment facilities so that there is more water discharged back into the environment without posing threat to our health and our environment. World also needs to force wastewater treatment facilities to pull more pollutants from their discharge.
7. Decrease the amount of pesticides and fertilizers used in agriculture because advanced agriculture based on heavy use of different chemicals is one of the main factors behind growing water pollution issue.
8. Cleaning up polluted rivers and other polluted water bodies. Cleaning polluted water bodies is very expensive procedure but this is really a small price to pay when considering harmful effects of polluted water to our health and our environment.
9. Better use of science. Science needs to focus more on finding the new "revolutionary" solution to clean polluted water bodies such as for instance using carbon nanotubes to clean polluted water.
10. Water pollution needs to be tackled at both regional as well as global level because all environmental issues are becoming global and water pollution issue is certainly no exception.

### **What are discriminatory practices?**

Discriminate means to make choices based upon categories. If you like to eat small eggs but not large eggs, you discriminate in your egg consumption. That, of course, is a harmless example. If, however, you like to hire people of European descent and not people of African descent that is a harmful form of discrimination, since it is unfair to qualified applicants who do not meet your ethnic criterion.

Application forms are unlawful and discriminatory when:

- Applicants with a disability are required to provide information which other applicants are not required providing:
  - unless the information is required to determine the applicant's ability to perform the inherent requirements of the job
- Applicants are required to fill out a long and complex written application:
  - this may disadvantage applicants with intellectual or learning disabilities or other disabilities which affect reading
  - unless the job itself requires an ability to deal with complex documents this requirement is unreasonable
- applicants are asked about disability in an application form:
  - For example, 'Have you ever had a mental illness?'
- applicants are asked questions that are not necessarily reasonable in an application form but may be reasonable and permitted at an interview:
  - For example, questions asked to determine whether a person's disability will affect their ability to perform the inherent requirements of the job or to determine whether reasonable adjustment is required and possible.

### **What are the effects of deforestation?**

#### THE EFFECTS OF DEFORESTATION ON OUR ENVIRONMENT TODAY

Deforestation has been described as the cutting down of trees without planting others in their place.

It is hard to think that there was a time when 90% of the earth was covered by trees, but this was once the case. If so, one asks, naturally, what happened to all these trees? Why do people cut down trees? The following are probable reasons:

#### a) Demand for land for cultivation.

This has been seen both in Kenya and other parts of the world especially countries that have Agriculture as the backbone of their economy. Trees have been cut down to obtain land for cultivation of both subsistence and cash crops, both by governments and individuals.

#### b) Need for firewood

People, especially those who live in rural areas where electricity and gas are unavailable, resort to use of firewood as a source of heat. Here, wood is cut down and burnt.

#### c) Need for land to build industries

Industries require a lot of land and while industrialization is important for every country, it is the bane of large tracts of forest. People need jobs in order to provide for their daily needs.

#### d) Need for land to build houses

with the worldwide increase in population, land to build houses for people to live in is very much required.

e) Need for wood for furniture, pencils, paper etc

whereas the above needs are important and have to be satisfied, cutting down trees is not the most probable solution to these problems. Why? This is because; most people who cut down trees do not plant others in their place. Also, if all the above needs are to be met by cutting down of trees, even planting two for every tree cut will not prevent desertification. This is because trees take so long to grow and mature, especially so for hard wood trees.

**Why business use utilitarian cost-benefit analysis**

At the broadest and vaguest level, cost-benefit analysis may be regarded simply as systematic thinking about decision-making the basic principle of utilitarianism is:

Actions are right to the degree that they tend to promote the greatest good for the greatest number.

Utilitarianism is a simple theory and its results are easy to apply. It also allows for degrees of right and wrong, and for every situation the choice between actions is clear-cut: always choose that which has the greatest utility.

**Theory of Utility**

Bentham's theory of utility is based on three central features:

1. The greatest happiness principle (or utility principle)
2. Egoism
3. Artificial identification of one's own interests with those of others

**BUSINESS APPLICATIONS**

Utilitarianism may be employed in any business decision-making process that seeks to maximize positive effects (especially morally, but perhaps also financially and so forth) and minimize negative outcomes. As with Bentham's formulation, utilitarianism in business ethics is primarily concerned with outcomes rather than processes. If the outcome leads to the greatest good (or the least harm) for the greatest number of people

**With reference to contractual theory, what are moral obligations of business?**

Contractual agreement not to exhibit unethical behavior. Releasing products with defects should be informed to the customers. This is a golden practice amongst Muslims from the days of Holy Prophet (PBUH) and it's heartening to see the same being employed here in the field of International Business the contractual theory of business' duties to consumer's claims that a business has four main moral duties: the basic duty of

- (a) Complying with the terms of the sales contract, and the secondary duties of
- (b) Disclosing the nature of the product,
- (c) Avoiding misrepresentation, and
- (d) Avoiding the use of duress and undue influence

**Business claiming that environment responsibility is confined to laws. 5**

**On the basis of marginal cost, why an additional unit produced cost a business more? Give examples.**

