

## FINAL SEMESTER EXAMINATION

Programme	:	<b>DIPLOMA IN BUSINESS STUDIES</b>
Course	:	<b>DBBM4043</b>
Course Code	:	<b>BUSINESS ETHICS</b>
Duration	:	<b>3 hours</b>

### INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. This question paper consists of **FOUR (4)** questions
3. Answer **ALL** questions in the Section A and Section B.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

### WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in the accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

*(This booklet contains 3 printed pages including this page)*

**DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO**

For examiner's use only

QUESTION NO.	MARKS
A1	/ 25
A2	/ 25
B1	/ 25
B2	/ 25
<b>Total</b>	<b>/ 100</b>

**SECTION A: CASE STUDY**

**[50 MARKS]**

Answer **ALL** questions on the separate sheet provided.

**SC Lodges Police Report Against Serba Dinamik**

PETALING JAYA: The Securities Commission Malaysia (SC) has lodged a police report against Serba Dinamik Holdings Bhd over allegations accusing it of acting in bad faith and not following procedures in discharging its duties.

The SC confirmed it lodged a report yesterday against an announcement issued by Serba Dinamik on April 21, which contained statements that were “baseless and malicious”.

“The SC denounces any attempt to intimidate the SC or its officers and undermine its authority and credibility,” it said in a statement.

It said the contents of Serba Dinamik’s announcement may have had the effect of misleading or confusing the public and/or painting the SC and its officers in a negative light.

Earlier this month, the SC imposed a maximum compound fine of RM3 million each against Serba Dinamik, its chief executive officer, executive director and two officers for submitting a false financial statement to Bursa Malaysia.

However, last Thursday, Serba Dinamik questioned the SC’s motive in pressing charges against it.

Following Serba Dinamik’s representation to the Attorney-General’s Chambers, the attorney-general had on April 7 this year agreed for all the charges to be compounded.

The oil and gas service provider claimed that the SC was obliged to prove that each and every director knew the statement was false.

The SC said that the bulk of Serba Dinamik’s allegations against it were arguments put forth in various High Court proceedings filed by the company, but have since been dismissed by the court.

“The SC wishes to state that investigations regarding this matter were conducted in accordance with its statutory powers and established processes and procedures, and categorically rejects the claims by Serba Dinamik as being without any merit.”

Dismissing Serba Dinamik’s allegations, the statutory body denied that it had failed to hand over documents relating to the case and clarified that the use of its investigative powers were executed properly and in good faith.

“At no time did our officers threaten any of the company’s staff.”

Adapted from: Free Malaysia Today (24 April 2022). “SC lodges police report against Serba Dinamik”. Retrieved from <https://www.freemalaysiatoday.com/category/highlight/2022/04/24/sc-lodges-police-report-against-serba-dinamik/> (Assessed: 12 July 2022)

**END OF CASE STUDY**

1. a) Accounting is a profession that is said to have a fiduciary duty. Interpret the concept of fiduciary duty. (5 marks)
  - b) Discuss any **TWO (2)** legal duties of board members. (10 marks)
  - c) Based on the Stakeholders model, examine any **TWO (2)** stakeholders who will be harmed if Serba Dinamik is found guilty by the court. (10 marks)
2. Due to the financial scandal in Serba Dinamik, five independent and non-executive directors have resigned as a result. As of 25 June 2021, the company's stock price dived to an all-time low of 23%.

Assuming you are the Human Resource Manager for Serba Dinamik, the CEO instructed you to prepare a downsizing proposal as he decided to lay off 30% of the current workforce. Examine the **SEVEN (7)** steps of the ethical decision-making process to help you make the decision. (25 marks)

**SECTION B: ESSAY QUESTIONS**

**[50 MARKS]**

Answer **ALL TWO (2)** questions on the separate sheet provided.

1. a) Discuss the relationship between ethics and the law. (7 marks)
  - b) State any **FOUR (4)** roles for the code of conduct and ethics. (8 marks)
  - c) Explain any **TWO (2)** ethical frameworks. (10 marks)
- Total: [25 marks]
2. a) Examine the concept of marketing to vulnerable populations. (7 marks)
  - b) Discuss the business's environmental responsibility by using the sustainability approach. (8 marks)
  - c) Explain the Employment at Will (EAW) from the employer and employee's perspectives. (10 marks)

Total: [25 marks]

**- END OF QUESTIONS -**