THE UNIVERSITY OF THE WEST INDIES
CAVE HILL

EXAMINATIONS OF APRIL/MAY 2013.

CODE AND NAME OF COURSE: MGMT3033 – GOVERNMENT, BUSINESS AND SOCIETY

DATE AND TIME: DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES: This paper has 4 pages and 6 questions.

A TOTAL OF TWO (2) QUESTIONS MUST BE ANSWERED

NB: All Responses to Questions must integrate relevant theories and concepts.

Question 1 (30 marks)

Views of the Business, Government and Society (BGS) relationship are illustrated in various existing models of BGS. However both merits and demerits exist in the varying ways to integrate the three elements of BGS and improve wealth and standard of living.

a) Outline the main assumptions of the Market Capitalism Model and the Countervailing Forces Model of business, government and society relationship. (8 marks)

b) Critically discuss any significant differences between the two models. (8 marks)

c) Use relevant examples especially of contemporary BGS relations in a named Caribbean country, incorporate any other models of GBS with the Market Capitalism Model and the Countervailing Forces Model, to critically discuss the importance of both these models. (14 marks)
Question 2 (30 marks)

'Businesses must not be solely concerned with profitability, but also their social and moral obligation to consumers in their production, marketing, advertising and sale of various products'.

a) Name TWO major sources of environmental pollution and FOUR major elements of the natural environment that can be impacted by pollution, explaining TWO major environmental health risks posed by such sources or impacts. (6 marks)

b) Explain TWO major categories of regulation that Ministries of the Environment or the Environmental Protection Association can use for businesses to avoid and control pollution. (6 marks)

c) Define consumerism and explain FOUR basic rights of consumers. (6 marks)

d) 'Businesses must not be solely concerned with profitability, but also their social and moral obligation to consumers in their production, marketing, advertising and sale of various products'.

Using relevant examples, critically evaluate this statement by drawing reference to appropriate provisions of legislation – incorporating at least two items of legislation for Consumer Protection in Barbados. (6 marks)

e) To achieve maximum effectiveness and efficiency, consumerism in the Caribbean region needs to be more than simply establishing traditional and authoritarian structures. Discuss this statement. (6 marks)

Question 3 (30 marks)

In the face of global and challenging economic circumstances, the management of nations and organizations have embarked on a number of burgeoning economic, structural and human resources management strategies, while seeking to balance other objectives including service and profitability.

a) Explain the origins and major objectives of ONE of the following:
   (i) European Union
   (ii) Foreign Direct Investment
   (iii) Neo-liberalism
   (iv) CARIFTA and CARICOM

(10 marks)

b) Using relevant examples, along with your choice in (a) above, discuss the validity of the opening statement, outlining the rationale for government intervention, especially in the Caribbean region, and the potential associated opportunities, challenges and hindrances present to various stakeholders in the BGS relationship. (20 marks)
Question 4 (30 marks)

In both the national and international environment, ‘... aspects of governance include the management of a country’s economic and social resources for development’.

a) Define Development. (4 marks)

b) For the business environment, state:
   (i) SIX major underlying historical forces of change (3 marks)
   (ii) SIX key elements of such environment (3 marks)

c) Use elements of the BGS relationship to explain how growth and development in a nation can be facilitated or hindered by any THREE of the major forces that influence market operations. (10 marks)

d) Critically discuss the impacts of THREE external forces on the workplace and the associated opportunities, linking such to improvements in the BGS relationship. Use relevant examples to support your answer. (10 marks)

Question 5 (30 marks)

The policies and strategies employed by the Government of a country depend to some extent on the ideology of the ‘ruling political party’ and on the structure of government and business.

a) Differentiate any SIX of the following, giving example or evidence of each element in existence in a nation:

   (i) economic liberalism from social liberalism (3 marks)
   (ii) public sector from private sector (3 marks)
   (iii) free trade from protectionism (3 marks)
   (iv) social partnership and privatization (3 marks)
   (v) IMF/IBRD and WTO (3 marks)
   (vi) industrial policy and FDI (3 marks)
   (vii) individualism and regionalism (3 marks)

   (18 marks)

b) State TWO major assumptions of a Free Market and EXPLAIN ONE main element of market failure. (4 marks)

c) Using the opening statement, and your choices in both (a) and (b) above, explain the extent to which government dominates business, or vice versa. (8 marks)
Question 6 (30 marks)

a) Milton Friedman (1970): It is the responsibility of management “to conduct the business in accordance with [the desires of owners of the business], which generally will be to make as much money as possible, while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom”

i) Identify and discuss THREE arguments that go against Milton Friedman’s statement. Use relevant theories and examples to support your answer.
(15 marks)

b) Kenneth Andrews (1991) has asserted that corporate performance in today’s business environment cannot be solely measured in monetary terms, but must also be examined in terms of ethical intentions and conduct of senior executives, employees and the corporation as a “moral entity”.

Identify TWO major breaches of Corporate Governance or Corporate Social Responsibility within the last ten years and with regard to the BGS relationship, explain TWO strategies to correct these infringements using

EITHER
(i) the theory of ethical universalism from the theory of ethical relativism.
OR
(ii) the theory of amorality from the theory of moral unity
(15 marks)