BUSINESS AND SOCIETY TEST 2 PRACTICE (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. A firm that has global operations has?

A. some or all of their manufacturing or service operations abroad.

B. only domestic operations.

C. no foreign suppliers.

D. only online selling.

2. People's ethical principles come from

A. Their religious background, family, and education.

B. Their genetic makeup alone.

C. Their personal taste alone.

D. Government policy alone.

3. Ethical relativism is most accurately defined by which statement?

A. What's ethical in one society may be forbidden in another.

B. There are universal ethical standards that apply everywhere.

C. Ethics are determined solely by personal preference.

D. Ethics are fixed across all cultures.

4. By law, the financial records of publicly held companies are required to be

A. Audited by a certified professional accounting firm.

B. Audited only by the company's internal accounting team.

C. Audited by a non-certified individual.

D. Not audited.

5. What does an effective ethical risk mitigation program typically include?

A. Silent management and no reporting

B. Only annual ethics seminars

C. Governance controls, training, whistleblower channels, and audits

D. Only external audits with no internal controls

6. **Which option correctly pairs Carroll's CSR levels with their typical examples?**

   A. Economic: be profitable; Legal: obey laws; Ethical: do what is right; Philanthropic: charitable donations

   B. Economic: obey laws; Legal: be profitable; Ethical: fair labor practices; Philanthropic: be a good corporate citizen

   C. Economic: be profitable; Legal: obey laws; Ethical: fair labor practices; Philanthropic: be a good corporate citizen

   D. Economic: be profitable; Legal: obey laws; Ethical: do what is right; Philanthropic: charitable donations

7. **Name two ethical decision-making frameworks described and how they guide choices.**

   A. Rights-based ethics (respect fundamental rights) and virtue ethics (character and relationships); apply by duties and character.

   B. Utilitarianism (maximize overall good) and deontological ethics (duty-based); apply by outcomes and universal duties.

   C. Utilitarianism (maximize overall good) and rights-based ethics (respect fundamental rights); apply by evaluating outcomes and duties.

   D. Egoism and cultural relativism; apply by self-interest and social norms.

8. **A normative purpose of business includes contributing to social well-being by doing what?**

   A. Creating value for stakeholders while acting ethically, legally, and responsibly

   B. Maximizing executive compensation

   C. Reducing workforce

   D. Minimizing taxes

9. **How do macro-level societal issues differ from micro-level CSR initiatives within a firm?**

   A. Macro issues are large-scale societal challenges

   B. Macro issues refer to a single firm's internal practices

   C. Micro initiatives are global governance

   D. Macro-level societal issues are large-scale challenges, while micro-level CSR initiatives are firm-specific actions addressing internal or local impacts

10. In the discussed case, how did the public sector help reduce trade in conflict minerals?

A. They provided subsidies to mining companies

B. They required all member nations to comply with responsible sourcing guidelines

C. They banned all trade with mining regions

D. They promoted consumer awareness campaigns

Answers

1. A
2. A
3. A
4. A
5. C
6. D
7. C
8. A
9. D
10. B

Explanations

1. A firm that has global operations has?

A. some or all of their manufacturing or service operations abroad.

B. only domestic operations.

C. no foreign suppliers.

D. only online selling.

Global operations involve a company conducting part of its manufacturing or service activities outside its home country. This cross-border footprint is what characterizes a multinational or internationally active firm, reflecting production or delivery capabilities in multiple markets and often connections to suppliers around the world. So having some or all manufacturing or service operations abroad is the best description of a firm with global operations. By contrast, operating only domestically isn't global, not having foreign suppliers contradicts typical global sourcing, and online selling alone doesn't necessarily imply cross-border operations.

2. People's ethical principles come from

A. Their religious background, family, and education.

B. Their genetic makeup alone.

C. Their personal taste alone.

D. Government policy alone.

Ethical principles are learned through socialization within family, religious communities, and schooling. These sources shape the norms, values, and moral expectations that people use to judge what is right or wrong, guiding how they reason about ethical dilemmas. While genetics can influence temperament or dispositions, they do not determine a person's moral code. Personal taste reflects preferences, not shared standards about right and wrong. Government policy can shape behavior and outline legal rules, but it doesn't by itself forge a person's internal moral beliefs. So, the most reliable origin of ethical principles is the mix of religious background, family, and education that transmits values across generations.

3. Ethical relativism is most accurately defined by which statement?

A. What's ethical in one society may be forbidden in another.

B. There are universal ethical standards that apply everywhere.

C. Ethics are determined solely by personal preference.

D. Ethics are fixed across all cultures.

Ethical relativism holds that moral judgments depend on the norms of a given society, so what's considered ethical can differ from culture to culture. The statement that what's ethical in one society may be forbidden in another best captures that idea. This contrasts with universalist views that there are global moral standards, with personal subjectivism that ethics are just a matter of individual preference, and with moral absolutism that ethics are fixed across cultures. Understanding this helps explain why cross-cultural ethical debates can hinge on different cultural norms rather than a single universal rule.

4. By law, the financial records of publicly held companies are required to be

A. Audited by a certified professional accounting firm.

B. Audited only by the company's internal accounting team.

C. Audited by a non-certified individual.

D. Not audited.

Publicly traded companies must have an external, independent audit of their financial statements. This means a certified public accounting firm—an independent firm—reviews and verifies the company's records to provide credible assurance to investors, lenders, and regulators that the financial statements fairly reflect the company's financial position. Independence matters because internal staff cannot provide the same objective verification. Audits by internal teams aren't considered sufficient for public companies because they aren't independent, and audits by non-certified individuals aren't permitted under professional and regulatory standards. Not auditing at all would leave stakeholders without needed oversight. While an audit gives reasonable assurance rather than a guarantee of perfection, it remains the standard requirement for publicly held corporations.

5. What does an effective ethical risk mitigation program typically include?

A. Silent management and no reporting

B. Only annual ethics seminars

C. Governance controls, training, whistleblower channels, and audits

D. Only external audits with no internal controls

An effective ethical risk mitigation program integrates governance controls, training, whistleblower channels, and audits. Governance controls establish clear accountability, policies, and decision-making processes that set the standard for behavior and ensure there are consequences for misconduct. Training translates those standards into everyday practice, helping employees recognize ethical dilemmas, understand expected responses, and know how to act. Whistleblower channels provide a secure, confidential way to raise concerns, which is crucial for uncovering issues that might not be visible to managers. Audits periodically test whether controls are working, identify gaps, and drive corrective actions to prevent recurrence. Relying on silent management or no reporting undermines accountability and transparency. Limiting efforts to a single activity, like annual seminars, fails to reinforce expectations, adapt to new risks, and address issues as they arise. External audits alone, without strong internal controls and reporting mechanisms, may detect problems but cannot prevent them or foster ongoing improvement within daily operations.

6. Which option correctly pairs Carroll's CSR levels with their typical examples?

A. Economic: be profitable; Legal: obey laws; Ethical: do what is right; Philanthropic: charitable donations

B. Economic: obey laws; Legal: be profitable; Ethical: fair labor practices; Philanthropic: be a good corporate citizen

C. Economic: be profitable; Legal: obey laws; Ethical: fair labor practices; Philanthropic: be a good corporate citizen

D. Economic: be profitable; Legal: obey laws; Ethical: do what is right; Philanthropic: charitable donations

Carroll's CSR framework separates responsibilities into four levels: economic, legal, ethical, and philanthropic. Each level comes with typical, concrete examples that illustrate what societies expect at that stage. The best pairing matches the standard descriptions: Economic—be profitable; Legal—obey laws; Ethical—do what is right; Philanthropic—charitable donations. This reflects the progression from generating value and profits, to following rules, to acting with fairness and integrity, to voluntarily giving back to the community through donations. The other options mix or broaden these examples (for instance, placing broader ideas like being a good corporate citizen or swapping fair labor practices to a different level), whereas charitable donations are the classic example tied to philanthropic responsibilities.

7. Name two ethical decision-making frameworks described and how they guide choices.

A. Rights-based ethics (respect fundamental rights) and virtue ethics (character and relationships); apply by duties and character.

B. Utilitarianism (maximize overall good) and deontological ethics (duty-based); apply by outcomes and universal duties.

C. Utilitarianism (maximize overall good) and rights-based ethics (respect fundamental rights); apply by evaluating outcomes and duties.

D. Egoism and cultural relativism; apply by self-interest and social norms.

The main idea here is balancing consequences with moral constraints when making ethical choices. Utilitarianism guides decisions by focusing on outcomes: choose the action that maximizes overall good or happiness for the greatest number. Rights-based ethics, on the other hand, emphasizes respecting fundamental rights—such as life, liberty, and autonomy—and constrains actions that would violate those rights, even if the outcome would be better overall. Using both frameworks together gives a fuller guide to decision-making. You weigh the potential overall benefits and harms (utilitarian lens) while ensuring that key rights are not violated (rights-based lens). This means you don't just chase the best aggregate result; you also respect essential rights that protect individuals. For example, consider a policy that could boost profits if it invades customer privacy. A utilitarian view might favor it if the overall benefits seem large, but a rights-based perspective would block it if it violates fundamental privacy rights. The combined approach pushes toward solutions that maximize good without trampling essential rights. That's why this pairing is the best answer: it shows how to evaluate outcomes while upholding duties and rights that constrain actions.

8. A normative purpose of business includes contributing to social well-being by doing what?

A. Creating value for stakeholders while acting ethically, legally, and responsibly

B. Maximizing executive compensation

C. Reducing workforce

D. Minimizing taxes

A business's normative purpose is to contribute to social well-being by creating value for stakeholders while acting ethically, legally, and responsibly. This view treats profits as a means to support employees, customers, communities, suppliers, and the environment, not just as an end in itself. When a company operates with integrity and in compliance with laws, it builds trust, reduces harms, and supports sustainable growth, which together enhance social welfare. Choosing actions that focus narrowly on personal gain for executives, reducing the workforce, or avoiding public contributions through taxes does not advance social well-being in the same way. Maximizing executive pay can widen inequities and erode morale; cutting jobs harms families and communities; and minimizing taxes can undercut the resources that society relies on for education, safety, and infrastructure. Therefore, the best fit is creating stakeholder value within ethical and legal boundaries.

9. How do macro-level societal issues differ from micro-level CSR initiatives within a firm?

A. Macro issues are large-scale societal challenges

B. Macro issues refer to a single firm's internal practices

C. Micro initiatives are global governance

D. Macro-level societal issues are large-scale challenges, while micro-level CSR initiatives are firm-specific actions addressing internal or local impacts

Macro-level societal issues involve large-scale challenges that extend beyond any single company and require broad, systemic responses across regions and sectors—things like climate change, wage gaps, or widespread poverty. Micro-level CSR initiatives are actions a specific firm takes to address the impacts it can directly influence, focusing on its own operations, supply chain, or local community—such as reducing its energy use in factories, enforcing responsible sourcing, or supporting local education programs. The distinction hinges on scale and locus: macro issues are external and wide-ranging, while micro CSR is firm-specific and often localized. Choices that suggest macro issues are just a single firm's internal practices or that micro initiatives equal global governance miss that important scale-and-focus difference. This option captures both aspects clearly.

10. In the discussed case, how did the public sector help reduce trade in conflict minerals?

A. They provided subsidies to mining companies

B. They required all member nations to comply with responsible sourcing guidelines

C. They banned all trade with mining regions

D. They promoted consumer awareness campaigns

Public sector action reduces trade in conflict minerals by imposing rules that require companies to trace and disclose where minerals come from and to prove they are not funding armed conflict. When governments mandate responsible sourcing guidelines and enforce them, firms must conduct due diligence, assess supplier risks, and report their findings to regulators. This creates a clear incentive to source only from peaceful or verifiable supply chains, and it can bar access to markets for producers who cannot demonstrate responsible sourcing. Subsidies to mining would push more mining activity and could expand, not curb, conflict-linked trade. Banning all trade with mining regions is impractical and would disrupt legitimate economies. Consumer awareness campaigns can influence demand, but without binding regulations and enforcement they're less effective at systematically reducing trade in conflict minerals.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://businesssociety2.examzify.com

We wish you the very best on your exam journey. You've got this!