

Class 11th

Business Studies

Gullak | Practice Paper - 6

SOCIAL RESPONSIBILITIES OF BUSINESS & BUSINESS ETHICS



Multiple Choice Questions

1. Which of the following is not a responsibility of business towards consumers?
 - (a) To provide safe products
 - (b) To charge reasonable prices
 - (c) To avoid advertising
 - (d) To provide after-sales services

2. Which one of the following is a reason for business to assume social responsibilities?
 - (a) Profit maximization
 - (b) Pressure from government
 - (c) Public image
 - (d) All of the above

3. Environmental protection is a responsibility of business towards:
 - (a) Shareholders
 - (b) Government
 - (c) Employees
 - (d) Society

4. Which of the following is a principle of business ethics?
 - (a) Profit maximization at any cost
 - (b) Unfair trade practices
 - (c) Protection of consumer interest
 - (d) Exploitation of labor

5. Which of the following is not a benefit of business ethics?
 - (a) Improved public image
 - (b) Increased conflicts
 - (c) Customer loyalty
 - (d) Long-term sustainability

Case Studies

1. Green Glow Paints Ltd. manufactures decorative paints at a low cost, making them popular in rural and semi-urban markets. However, an environmental audit revealed that the company had been discharging toxic waste into a nearby river. The river is a source of water for several villages, and locals started reporting health issues. GreenGlow argued that shifting to eco-friendly waste treatment would raise their production cost and reduce profitability.

Question:

Has GreenGlow fulfilled its social responsibility? Justify your answer.

2. Metro Furn Pvt. Ltd., a furniture manufacturer, employs daily wage laborers who work with heavy machinery. However, the company does not provide safety gear or training. Recently, a worker lost his fingers in an accident. The management claimed that safety measures would delay production and increase costs.

Question:

Did MetroFurn fulfill its responsibility towards its employees? Explain.

3. Herba Fit Ltd., a wellness brand, launched a weight loss drink that it claimed would reduce 5 kg in a week without diet or exercise. Social media influencers were paid to endorse the product. However, after its release, many users experienced side effects, and health experts called the claims misleading and dangerous.

Question:

Did HerbaFit act ethically in its marketing practices? Support your answer.

4. Spark Sales Ltd., a consumer electronics company, hired mostly male employees for its sales team. A qualified female candidate, Nidhi, was rejected during interviews despite scoring the highest. Later, she found out that the company believed “field jobs are not for women.”

Question:

Is SparkSales fulfilling its responsibility as an ethical employer? Give reasons.

5. City Construct Ltd., a real estate firm, underreports its income and pays bribes to avoid tax audits. Although it earns huge profits, the company justifies its actions by claiming high taxes make it difficult for businesses to survive.

Question:

Is tax evasion justifiable in business if it increases profit? Explain.

Multiple Choice Questions

1. (c) To avoid advertising
2. (d) All of the above
3. (d) Society
4. (c) Protection of consumer interest
5. (b) Increased conflicts

Case Studies

1. No, GreenGlow has failed in its responsibility towards the environment and society. Disposing toxic waste in the river harms both nature and human health. A responsible business should prioritize sustainable practices, even at a slightly higher cost. Long-term goodwill and trust outweigh short-term profits.
2. No, the company violated its responsibility towards employees. Ensuring safe working conditions is a fundamental ethical and legal obligation. Ignoring safety leads to physical harm, legal action, and reputational damage. Workers are the backbone of the organization and must be protected.
3. No, HerbaFit acted unethically by making false and exaggerated claims. Misleading advertising violates the consumer's right to accurate information and can endanger health. Ethical marketing must be honest, scientifically supported, and transparent. Misrepresentation can destroy brand credibility.
4. No, SparkSales is clearly violating ethical standards and the principle of non-discrimination. Every candidate deserves equal opportunity based on merit, not gender. Ethical employers promote diversity, fairness, and inclusivity. Gender bias not only violates laws but also limits organizational talent.
5. No, tax evasion is illegal and unethical. Paying taxes is a business's responsibility towards the government and society. Taxes fund public services like roads, schools, and healthcare. Profit earned through dishonest means leads to legal risks and erodes public trust.