



ZIMBABWE EZEKIEL GUTI UNIVERSITY

---

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

---

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CBM111

COURSE TITLE : BUSINESS ETHICS

DURATION : 3 Hours

LEVEL : 1:1

06 OCT 2022

DATE :

**INSTRUCTIONS TO CANDIDATES:**

- 1 No cell phones are allowed in the examination venue.
- 2 Question one is compulsory
- 3 Answer any **THREE (3)** questions from section B.
- 4 Begin each question on a new page.
- 5 The number of marks for each question or part question is shown in brackets [ ]

## SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

### CASE STUDY

DELTA BEVERAGES has failed to make a case against a South African company that supplied it with plastic packaging for its beverages business after the High Court upheld the agreement between the two parties. The agreement between Delta and Blakey Investments (Pvt) Ltd was signed on March 16, 2018 for the latter to supply the packaging material with the former required to purchase a minimum quantity of the material. When Blakey Investments asked for payment of R150 000 for goods supplied pursuant to the agreement, Delta refused and approached the High Court for an order declaring that the agreement was void and unenforceable for not complying with the laws of Zimbabwe or unenforceable because it was contrary to public policy. It argued that the agreement was entered into in breach of the country's competition laws and was not approved by the Exchange Control Authority in terms of the Exchange Control Regulations, Statutory Instrument 109 of 1966. In this case, Delta premised its application on the claims that the agreement was tainted with illegality and therefore invalid, but Blakey Investment argued that, if any part of the agreement was found to offend the law, such part was capable of being cut off as provided for in the agreement. Blakey Investments also argued that the same clause enjoined parties to "negotiate and effect an amendment of the agreement" so that it was enforceable, failing which, the agreement was to be interpreted in a manner which excluded the provision complained. And in June this year, Blakey Investment sought to engage Delta and invited it to deliver their proposed amendments to the offending clauses in the agreement, but it never responded, thus the condition precedent to litigating on the agreement had not yet been mollified. In his ruling, Justice Webster Chinamora, noted that the agreement contained a clause that allowed any offending part to be severed from the contract, or for the offending clause to be read and construed in a manner that allowed for conformity with the law.

He upheld the agreement signed by the parties in March 2018, finding that it could not be impugned because Delta failed to establish a basis upon which the court could grant the relief sought. "In the result, the application is dismissed with costs on an attorney and client scale," said Justice Chinamora. It was also the court's view that nothing stopped the parties from removing from the contract anything, which suggested exclusivity because the history of the companies' business relationship on an ad hoc basis showed that they were not transacting on the basis of exclusivity.

### QUESTION 1

Identify common ethical dilemmas that are normally encountered by most organizations with reference to the above case study. [25 marks]

### SECTION B: ANSWER ANY THREE QUESTIONS

### QUESTION 2

With reference to Econet Zimbabwe, Identify and explain areas where it is observing business ethics concept. [25 marks]

### QUESTION 3

Discuss the applicability of the following business ethics theories to a company of your choice

- a) deontological theory,
- b) Social contract,
- c) virtue theory

[25 marks]

### QUESTION 4

Discuss the relevance of stages of ethical development According to Lawrence Kolberg from the Human Resources Department (HR) of mining sector [25 marks]

### QUESTION 5

In most organizations it seems as if ethical dilemmas is now the order of the day. Site examples and explain. [25 marks]

16/22 AM