Business ethics summary

Answer: Business ethics refers to the study of proper business policies and practices, with regards to the potential controversial issues such as corporate governance, discrimination, bribery among others (Madsen & Shafritz 1990). Business ethics are often guided by law and at times they provide a basic framework that businesses can choose to follow in a bid to acquire public acceptance. They are implemented so as to ensure that a particular required level of trust is in existence between consumers and the different types of market participants with the business entities.

For instance, a portfolio manager has an obligation to give a similar consideration to the portfolios of family members and small individual investors. Such acts ensure public equality. A moral point of view refers to approaching a problem or issue from the perspective of its being morally wrong or right or rather, morally excellent. As opposed to the Economic or Legal point of view, the moral point of view comprises of two main features. The first, is the commitment or willingness to search for reasons and act on them.

The best action is that which is supported by the best possible reasons, as opposed to acting upon emotion, some already existing morality or without deliberation. The second feature is commitment to impartiality. This involves putting into consideration the interests of all in equal measure, rather than being self-interested. It is essential for business people to operate from the perspective of a moral viewpoint since, by so doing, they will be able to serve their customers well because it involves being careful about their interests.

It is, therefore, sensible to state that business people must operate from this perspective (Madsen & Shafritz 1990). Question 2: There are rather clear utility exchanges that are made between policies of due process and EAW. What are some ways that you can imagine that the utility losses required by a policy of due process may be minimized (or inherent inefficiencies you potentially see in EAW policies)?

Answer: Utility loss refers to the decline in the usefulness and, consequently, the value of a given asset. Loss of utility means the reason to write down the asset (National Consumer Law Center & United States 1994). One way of reducing utility losses required by a policy of due process is sufficient liquidity. With this, business persons can converge to a consensus price that reflects their collective information about the value of securities. This then corresponds to the probability of the outbreak of loss that the market estimated. Another way is having sufficient traders. If a market fails to achieve this, it will eventually break down.

The situation is even worse in prediction markets since it is not the primary design goal of the market to meet trader demands. Market makers each have their own utility function for money. They seek to keep their expected utility constant all the time, rather than maximize it, to ensure that it never decreases. They also trade in orders that are within their risk-neutral probability. Question 3: Explain John Boatright’s main arguments in “ What’s Wrong and What’s Right with Stakeholder Management.” Provide two objections to his thesis. Do you agree or disagree with his position.

Answer: The concept of the stakeholder is a significant contributor to business ethics. It has been commonly expressed in the moral view that managers have an obligation to consider the interest of every stakeholder when making decisions. John Boatright (1994) argues that the stakeholder management serves the interest of all stakeholder groups but fail to recognize that a business entity in which the managers act in the best interest of shareholders could also be advantageous to stakeholder groups. This failure is brought about by an error on the part of those advocating for stakeholder management.

Boatright continues to argue that one way in which stakeholder management goes wrong is by failing to acknowledge the extent to which the existing system of corporate governance, signified by shareholder supremacy, serves the interests of all stakeholders. The other is by making the assumption that all the interests of stakeholders are best served by assigning this task to the management, as opposed to using other means. This thesis has, however, faced some objections. Firstly, it is not inclusive of a system of corporate governance.

Secondly, it contends that in the making of crucial decisions, managers must put into consideration the interests of both shareholders and non-shareholders and balance them both in a similar manner. I, somewhat, fail to agree with Boatright's position for the reason that the interests of stakeholders should be centralized to the corporation's operations just as shareholder interests are dominant in the conventional firm they control.

Question 4: Epstein claims that the positions of both employers and employees are essentially even with regard to EAW.

Do you find this line of argument convincing? Why or why not? Answer: According to Epstein (1992), the position of employers and employees is even. His argument for this is based on employment at will. If a controlling contract does not exist, employment can be terminated at the will of either of the parties. In this case, there will be no cause of action to be taken against the employer for the case of wrongful termination. Some exceptions do occur. For instance, in public policy, it would be wrong to fire an employee for failure to break the law.

He justifies employment-at-will with the argument that the employer's proprietary rights guarantee that they may hire or fire whomever they wish and whenever. Also, the European Arrest Warrant (EAW) equally protects the rights of both the employer and the employee. His argument is, however, unconvincing because he tends to focus on the suggested fairness of symmetry, where either party can end the relationship. Epstein also claims that the reputational effects do not favor the employer.

Question 5: Central to Duska's discussion is his conception of loyalty. Do you find his account of loyalty convincing?

What elements of it might you disagree with? What implications might an altered conception of loyalty have on his contention that whistle-blowing does not require moral justification? Answer: Duska (2003) gives an outline of three philosophical positions concerning loyalty. The first is on idealists, which is given as a dedication to bring abstractions to an entity. Secondly are social atomists. It is only people who are capable of being objects of loyalty and loyalty can be reduced to other relationships. The last is on moderate position. Loyalty is a true relation among people as well as groups.

Duska's account of loyalty is unconvincing because his theory does not recognize that whistleblowers are successful beyond the moral minimum. Also, in many a case, harm has already occurred and, therefore, prevention cannot be an objective. An implication of an altered conception of loyalty on Duska's contention that whistleblowing does not need moral justification is that people may ignore the legal perspective of loyalty. Duska's view is based on morality, which is a bit different from the legal view. Loyalty covers a set of particular duties and cannot be easily expressed in advance.