

Chapter business ethics

[Business](#), [Business Ethics](#)



The advantage to this decision is she did what he felt was morally acceptable, the disadvantage is she does not have their business and she has no reason to believe they would not pay the loan back and she would have made money for the bank if she accepted and approved the loan application. Although she was applauded for her moral stance from some there were some that were not very happy about the decision. B. A Canadian company that was importing cigars from Cuba.

Elaine based this decision on what is known as "Rule Deontological" this is determined by the relationship between the basic rights of the individual and a set of rules governing conduct. Elaine based her decision on the Helms-Burton Act of 1996. (Helms-Burton Act) signed by United States President Bill Clinton on March 1996, while highlighting the US relationship with Cuba (Case Western Reserve Journal of International Law. Winter 98, Vol. 30 Issue 1, IPPP. App). Alien's advantage of this decision was she had clear guidance cited in the U. S. Policy against Cuba by the Helms-Burton Act and dealings with Cuba.

Disadvantage is she was dealing with a Canadian based company she could have done business with. . Electrode International which wanted a loan for \$50 million. Elaine had issues with profits being unusually high for such marginal numbers. Electrode and others had allegedly fixed the prices on their products and were successful at this since their product was only being manufactured by a handful of companies. Alien's decision was based on what is known as "Act Deontological" where actions are the proper basis on which to judge morality or ethicalness.

The advantage is she stayed away from an ethically questionable company since they were basically price gouging and the disadvantage, if you can get past the ethical decisions the company made, is they are a very successful company. This one she was overruled and forced to sign the loan. D. The last company was from Brazil requesting an agricultural loan to harvest parts of the rain forest and was willing to pay almost 2 points over the going rate on a \$40 million loan. To Elaine this had environmental implications and was going against her stand on the environment.

Alien's philosophy on this decision what is known as "Virtue Ethics" behavior adhering to moral behavior and what a mature person with "good" moral character would deem appropriate in a given situation. Advantages in this decision is on her end only, she felt as if she was going to save part of the rain forest but unfortunately the Brazilian company decided to just get the loan somewhere else, one of her competitors which is the disadvantage. Elaine could be forced to start making decisions to save the bottom line for the bank (BBC).

She has already lost employees over the past year due to her regulations being too provincial for the emerging global marketplace. Elaine may have to think about re-writing her standards for the bank decisions for approving loans. She already lost one major account to another competitor can she really afford to lose another one? B. Dennis who is in the import/export business had made a decision to stay away from a major opportunity to export nicotine and caffeine patches in Southeast Asia.

The thought process was to get a potential 2 billion customers addicted to the product at a low price then when the time came to raise the price just a penny which could actually make millions of dollars. Dennis rejected the deal and the firm went with another company, losing money for the company and potentially allowed Dennis to work this account for years and possibly save enough for retirement. C. JIBE is losing a lot of business due to the standards that Elaine had written for the company and maybe some of the decisions she has made. 3.

Discuss the Moral Philosophies that may be relevant to this situation a.

Teleology stipulates that acts are morally right or acceptable if they produce some desired result. Elaine could have made decisions on some of the loans discussed just to ensure the "end result" was a bottom line profit. That is what would make the different companies that were requesting money acceptable and in some situations morally right. B. Egoism defines right or acceptable actions as those that maximize a particular person's self-interest as defined by the individual.

Elaine could have approved the loans that met the credit portion of the application, this would have probably been a good decision for her career since the bank would stand to gain a lot of money, especially the loans that were willing to pay above market value. C. Utilitarian believes right or acceptable actions are those that maximize total utility or the greatest good for the greatest amount of people. In Alien's case the company feels they will gain a lot if she decides to go with a billion dollar investment, because it can benefit a lot of people. . Demonology focuses on

the right thing to do focusing on the preservation of individual rights and on the intentions associates with a particular behavior rather than on its own intentions. Elaine doesn't believe it is a good idea to give loans to certain companies because of the products they promote ND who they promote too. She believes the company can still be profitable I be profitable without going against what she thinks is right. E. Relativists evaluates ethicalness subjectively on the basis of individual and group experiences.

Elaine bases her decisions on her own experiences and believes her decision is Just as good as others. F. Virtue ethics assumes that what is moral in a given situation is not only what conventional morality requires but also what a mature person with a " good" moral character would deem appropriate. In Alien's decisions she is basing some of hem on her morality as she probably a mature person with " good" moral character, but sometimes in business decisions you should look at the bottom line. G.