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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR FOUR**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BHR 402**

**COURSE TITLE: ETHICS AND SOCIAL RESPONSIBILITY**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 01/04/2021 TIME: 3.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

**Napster Copyright Infringement Case**

Duplicating software for friends, co-workers or even for business has become a widespread practice. All software programs are protected by copyright laws and duplicating them is an offense. How, then, has making illegal copies become such a common and accepted practice in people’s homes and places of work? Part of the answer revolves around the issue that software isn’t like some other intellectual property. Intellectual property is that which is developed by someone and is attributable directly to the thinking process. Software is different from a book in that anyone can easily copy it and an exact replication is achievable. Another reason is related to cultural differences. People don’t see copy as stealing. People don’t find anything wrong in making a video copy of a hit feature film and selling it or hiring out. People defend their behaviour by saying: ‘Everybody does it! I won’t get caught! Or no one really loses!’

The same issue of copyright is involved in the famous Napster case in America. Napster is an online service that allows computer users to share high-quality digital copies (MP3s) of music recordings via the internet. The San Mateo-based company doesn’t actually store the recordings on its own computers, but instead provides an index of all the songs available on the computers of members currently logged on to the service. Napster, therefore, functions as a sort of clearing house that members can log on to, search by artist or song title, and identify where songs of their interest are so and download them from another user’s hard drive.

Napster has become one of the most popular sites on the internet, claiming some 15 million users in little more than a year. Indeed, so many students were downloading songs from Napster, that many universities were forced to block the site from their systems in order to regain bandwidth. Napster’s service has been almost as controversial as it has been popular. Barely a year after its launch, it was sued by the Recording Industry Association of America (RIAA), which represents major recording companies such as Universal Music, BMG, Sony Music, Warner Music Group, and EMI. The RIAA claimed by allowing users to swap music recordings for free, Napster’s service violated copyright laws. It also sought an injunction to stop the downloading of copyrighted songs owned by its members as well as damages for lost revenue. It argued that song swapping via Napster and similar firms has cost the music industry more than $300 million in lost sales. A few months after the RIAA lawsuit was filed, Metallica, a heavy metal band, and rap star Dr.Dre filed separate lawsuits accusing Napster of copyright infringement and racketeering. Lars Ulrich, Metallica’s drummer, told a senate committee that Napster users are basically stealing from the band every time they download one of its songs.

The 1998 Digital Millennium Copyright Act (DMCA) grants immunity to Internet Service Providers for the actions of their customers. Napster attorneys argued that the company has broad protection from copyright claims because it functions like a search engine rather than having direct involvement with music swapping. However, according to the legal community, ‘Napster does not take the legal steps required of search engines in dealing with copyright violations.’

Despite its claim, Napster was found guilty of direct infringement of the RIAA’s musical recordings. To date, the service has not been shut down, because doing so could violate the rights of artists who have given Napster permission to trade their music. However, the company was required to block all songs on a list of 5,000 provided by the RIAA.

1. Is it wrong in copying a software, music or a video film? (2 marks)
2. In the above case, who is in control over intellectual property? (4 marks)
3. If you were the judge, how could you have decided the above case?. (9 marks)
4. Outline four reasons why Napster was doing this (6 marks)
5. Copying of software, music and films is very common in Kenya. Discuss. (9 marks)

**QUESTION TWO**

1. Define the term ethics and explain its core objectives (5 marks)
2. Outline the characteristics of ethics (5 marks)
3. Discuss the need and importance of ethics (10 marks)

**QUESTION THREE**

1. Explain six causes of unethical behavior in an organization (6 marks)
2. Outline six examples of unethical conducts (6 marks)
3. Discuss important factors of building an ethical infrastructure in the organization (8 marks)

**QUESTION FOUR**

1. Explain your understanding of the term code of ethics (3 marks)
2. Outline six components of Effective ethics training programme (9 marks)
3. Shade light on why an organization should be socially responsible (8 marks)

**QUESTION FIVE**

1. Define whistle blowing and explain its principles (6 marks)
2. Explain the structure of ethical decision making (6 marks)
3. Discuss the significance of ethical leadership in an organization (8 marks)