

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -3 EXAMINATION- 2024

BBA-I Semester

COURSE CODE (CREDITS): (22BBWHS132)

MAX. MARKS: 35

COURSE NAME: Ethics and Corporate Social Responsibility

COURSE INSTRUCTORS: Neena Jindal

MAX. TIME: 2 Hours

*Note: (a) All questions are compulsory.*

*(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems*

Q.No	Question	CO	Marks
Q1	What should a company do when an ethical conflict arises within a CSR initiative?	CO1	5
Q2	What challenges do companies face in implementing CSR initiatives in developing countries?	CO5	5
Q3	What do you understand by ethical dilemma? What responsibility do leaders have in preventing ethical dilemmas in their organizations?	CO2	2+3
	<p>In the 1970s, Nestlé faced global criticism for its marketing of infant formula in developing countries. Advocacy groups accused the company of unethical practices, arguing that its marketing strategy undermined breastfeeding and led to serious health consequences for infants.</p> <p>Nestlé advertised formula as a superior alternative to breast milk, often using aggressive marketing tactics, such as distributing free samples to hospitals. Once mothers left the hospital, they often relied on formula, even if they couldn't afford it. Critics argued that this practice was particularly harmful in developing countries, where access to clean water and proper sanitation to prepare the formula was limited.</p> <p>Nestlé claimed it was providing a necessary product for mothers who couldn't breastfeed. However, critics argued that:</p> <ol style="list-style-type: none"> <li><b>Deceptive Marketing:</b> The company's advertisements undermined confidence in breastfeeding.</li> <li><b>Health Risks:</b> Improper preparation of formula in areas without clean water caused malnutrition, infections, and infant deaths.</li> <li><b>Exploitation:</b> Targeting vulnerable populations in developing countries was seen as exploiting a lack of education and resources.</li> </ol> <p>The controversy highlighted the importance of aligning marketing practices with social responsibility. CSR failures included:</p> <ul style="list-style-type: none"> <li><b>Misleading Messaging:</b> Promoting formula as equivalent or</li> </ul>		

	<p>superior to breast milk.</p> <ul style="list-style-type: none"> <li>• <b>Inadequate Support:</b> Failing to provide clear instructions on the safe use of formula.</li> <li>• <b>Neglecting Public Health:</b> Prioritizing profits over the well-being of vulnerable populations.</li> </ul> <p><b>Outcomes and Response</b>  <b>Global Backlash:</b> Advocacy groups like the Infant Formula Action Coalition (INFACT) launched a boycott of Nestlé products.  <b>WHO Code:</b> The World Health Organization introduced the International Code of Marketing of Breast-milk Substitutes in 1981, setting ethical guidelines for formula marketing.  <b>Nestlé's Reforms:</b> The company adopted the WHO Code in most countries and increased transparency in its marketing practices.  <b>Read the case study and answer the following questions:</b></p>		
Q4	What ethical principles did Nestlé violate in this case?	CO1	5
Q5	How should companies balance profit-making with the well-being of vulnerable populations?	CO5	5
Q6	How can CSR policies prevent companies from exploiting underprivileged communities?	CO3	5
Q7	How can companies ensure their marketing practices align with local cultural and social values?	CO3	5