

# Practice Questions for resolving dilemmas using Ethical Theories

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## Scenario No. 3:

**In analyzing the following scenario, describe how an act utilitarian, a rule utilitarian, deontologist (using 1<sup>st</sup> and 2<sup>nd</sup> categorical imperative) would each reach a solution to this dilemma. Which solution seems most plausible?**

You have just been appointed to the board of directors of XYZ.com. Unfortunately, the dot-com company has been experiencing some difficult financial times, resulting in revenue losses in three of the last four quarters. As you assume your new position, you discover that two proposals are on the table. Each proposal has been put forth as a means for dealing with XYZ's immediate financial problems.

**Proposal #1** recommends that all employees be retained, but that an immediate freeze on salary increases (raises) for all employees be imposed for the next six months. (Employees may even be asked to take a 5% cut in pay if things do not improve by the end of that period.)

**Proposal #2** recommends that wages not be frozen, but that 5% of the XYZ's work force be laid off. (One piece of reasoning behind this proposal is that taking more drastic measures will "protect" 95% of XYZ's workers and will send a message to Wall Street and local investors that XYZ is serious about improving its financial position and that it will soon be a stable company once again.) The board is evenly split, seven members favoring proposal# 1 and seven favoring proposal #2. Yours will be the tie-breaking vote. 2.