Pepperdine is a Christian university committed to the highest standards of academic excellence and Christian values, where students are strengthened for lives of purposes, service, and leadership.

PROFESSOR WILLIAM LARSON

MBFE 653.42

POLITICAL, REGULATORY, ETHICAL AND LEGAL ISSUES OF BUSINESS

FALL 2003

TUESDAYS

6:00 TO 10:00 PM

ORANGE COUNTY CENTER

SYLLABUS
POLITICAL, REGULATORY, ETHICAL AND LEGAL ISSUES OF BUSINESS
MBFE 653.42 SYLLABUS
Fall, 2003

TUESDAYS, 6:00 – 10:00 PM
Orange County Center

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COURSE DESCRIPTION:

This course develops and utilizes critical thinking skills in examining the environment of legal, political, and regulatory processes as they pertain to profit and nonprofit organizations and their impact on management decisions in relation to the general public, employees, customers, competitors, suppliers, and the wider national and international community. Emphasis also is given to specifics of formulating, negotiating, and enforcing contracts; anticipating, neutralizing, and defending against liabilities; evaluating the various forms of business ownership and investment modes; incorporating government regulations and decisions; and working with attorneys and the legal/regulatory system.

OBJECTIVES: At the completion of this learning experience, the successful student will be competent to:

1) Evaluate belief systems, discern criteria for rational discourse, and implement methods of skillful expression
2) Recognize the importance of cultural, religious, environmental, legal, political and sociological influences as they impact domestic and global business operations

3) Understand the structure of law as it applies generally to society and to the business community in particular, with emphasis to the emerging role of e-commerce and internet law to that process

4) Grasp the subtleties of legal terminology in its application to the business environment

5) Utilize legal representation to its fullest benefit

6) Understand the relative legal advantages and disadvantages of the various forms of business organization

7) Generate a comprehensive approach toward minimizing service and product liability

8) Apply learned writing, oral, team building and analytic skills to effectively achieve contractual and other business objectives

9) Negotiate, craft and implement business transactions; dispute avoidance and/or resolution

10) Discern the broad course and trends of legal doctrines and technology as they interface with business needs and change

11) Interface legal/ethical responsibilities at all levels of business operation


COURSE STRUCTURE:

In keeping with the progressive teaching posture of the Pepperdine University School of Business and Management and the work experience level of GSBM students, this course will not be confined to traditional structuring and will involve and utilize the talents of all class members.

The core of the subject matter will be presented by the professor. Said material may radically depart from the confines of the text, and chapters listed in the "Projected Session Schedule and Sign-up Roster" are identified for purposes of general reference only.
Other material will be assigned to individual students who will be responsible for presentations, utilizing charts and other creative techniques and resources as may enhance the process. **At the time of the first class meeting**, a sign-up sheet will be provided so that students may reserve and have time to prepare their respective topics. Students are put on notice that in-depth study and analysis of their selected topic is required. The professor, though present as a resource person, will expect those making presentations to be thoroughly versed on the subject. It is probable that the textbook will be a most helpful resource but is to be considered as only a first step toward meeting the challenge of this research commitment.

In order to facilitate the efficient assimilation of information, at the time of the presentation the individual or team scheduled must provide each class member with a written outline of the material to be covered. The presentation itself should focus upon major points and issues as opposed to a protracted attention to detail. This effort is a practical and integral part of the class program and said presentation will thus constitute a substantial portion of the final grade. As the "Projected Session Schedule" illustrates, not all chapters in the text, *Business Law and the Regulatory Environment*, are to be covered. Students are responsible for material delivered by the professor, student presentations, class discussion, assigned chapters in the text and other selected readings. The mid-term and final examinations will consist of problem, multiple choice and true and false questions drawn from the above sources. Students have the option of writing expanded answers to any examination question. Prior to sitting for the final examination, a written self-evaluation directed to class participation is required.

**GRADING:** Grade determination will be based upon the following:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Presentation</td>
<td>30%</td>
</tr>
<tr>
<td>Mid-term Examination</td>
<td>20%</td>
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<tr>
<td>Final Examination</td>
<td>40%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>10%</td>
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</tbody>
</table>

**NOTICE:** This course is structured so as to draw upon group support and participation. Because of this emphasis and separate from the above identified class participation factor, absence from class three or more times is here specifically identified as grounds for a full letter reduction of the final grade.

**COURSE CONTENT**

1. Explores the historical, political, philosophical and religious basis of legal systems, the ethical posture of law as it relates to the moral dimensions of the technological and economic complex, and the policies and implementation procedures of federal, state and local regulatory bodies.
2. Analysis of selected aspects of criminal law and the American legal structure, utilizing existing and predictable intense interest as a vehicle for the introduction of broader legal concerns. Emphasis given to development of vocabulary and issue spotting skills with specific attention to business crimes.

3. Examination of torts, spanning intentional acts, negligence, and strict liability. Earlier crimes unit serving as preparation for intentional torts which in turn introduces the concept of civil liability and sets framework for the subsequent analysis of negligence and strict liability.

4. Thorough study of fundamentals, strategy and subtleties of contract law. Such effort to include the nature of contracts, business ethics, bargain, consideration, capacity, legality, third party rights, performance and remedies.

5. With the above as foundation the class is prepared to master other related subjects such as product liability, sales, property, e-commerce, insurance, intellectual property and internet law, competitive tort remedies, and employment law.

6. Investigation of agency, encompassing the basis for its creation, relation, authority, and liability.

7. Study of the various forms of partnership, with attention to strengths and weaknesses, creation, relationship between partners, partners to third entities, dissolution and winding up.

8. Analysis of the corporation as a statutory creation wherein the nature of corporation and incorporation, organization and financing corporate business, operation, duties, shareholders' rights, securities regulation, and foreign corporation status are explored.

9. Evaluation of the legal advantages and disadvantages of various forms of product and service distribution, with particular attention to e-commerce, franchising and the independent distributor.

10. Strong emphasis given to government and court regulation of business, labor and technology as manifested by state and federal constitutional powers, statutes, agencies and case law.

11. Examination of the legal and cultural aspects of international transactions in light of technology, domestic and foreign law, as well as various emerging doctrines of the global community.
Conduct

“The University expects from all of its students and employees the highest
standard of moral and ethical behavior in harmony with its Christian philosophy and
purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional
Christian values is not acceptable.

The following regulations apply to any person, graduate or undergraduate, who
is enrolled as a Pepperdine University student. These rules are not to be interpreted as
all-inclusive as to situations in which discipline will be invoked. They are illustrative,
and the University reserves the right to take disciplinary action in appropriate
circumstances not set out in this catalog. It is understood that each student who enrolls
at Pepperdine University will assume the responsibilities involved by adhering to the
regulations of the University. Students are expected to respect order, morality, personal
honor, and the rights and property of others at all times. Examples of improper conduct
for which students are subject to discipline are as follows:

- Dishonesty in any form, including plagiarism, illegal copying of software, and
  knowingly furnishing false information to the University.
- Forgery, alteration, or misuse of University documents, records, or identification.
- Failure to comply with written or verbal directives of duly authorized University
  officials who are acting in the performance of assigned duties.
- Interference with the academic or administrative process of the University or any of
  the approved activities.
- Otherwise unprotected behavior that disrupts the classroom environment.
- Theft or damage to property.
- Violation of civil or criminal codes of local, state, or federal governments.
- Unauthorized use of or entry into University facilities.
- Violation of any stated policies or regulations governing student relationships to the
  University.

Disciplinary action may involve, but is not limited to, one or a combination of
the alternatives listed below:

**Dismissal** – separation of the student from the University on a permanent basis.

**Suspension** – separation of the student from the University for a specified length
of time.

**Probation** – status of the student indicating that the relationship with the
University is tenuous and that the student’s records will be reviewed periodically to
determine suitability to remain enrolled. Specific limitations to and restrictions of the
student’s privileges may accompany probation.”  GSBM Catalog, pgs. 207-208.

Policy on Disabilities

Assistance for Students with Disabilities:

“Students with disabilities, whether mental or physical, are encouraged to
contact the Equal Opportunity Office before the academic year begins or soon after
classes are in session. This office will assist each student by providing general
information about campus facilities and available resources. The office will assist in
providing reasonable accommodation to students with disabilities pursuant to applicable
laws. Inquiries should be directed to equal opportunity officer, Dr. Calvin H. Bowers,
(310) 456-4208. (Students who wish to file a formal grievance should refer to the
“Nondiscrimination Policy,” which is listed in the “Legal Notices” section of this
catalog.)”  GSBM Catalog, pg. 31.
PROJECTED SESSION SCHEDULE AND SIGN-UP ROSTER

MBFE 653.42

**Tuesday Session 1**  
8/26/03  
Introduction and Discussion  
Business Ethics and the Regulatory/Legal Environment  
Chapters 1, 4

**Tuesday Session 2**  
9/2/03  
Introduction and Discussion  
Legal Environment/Crimes  
Chapter 5

**Tuesday Session 3**  
9/9/03  
Introduction and Discussion  
Crimes/Intentional Torts  
Chapters 5, 6

**Tuesday Session 4**  
9/16/03  
Introduction and Discussion  
Intentional Torts/Negligence  
Chapters 6, 7

**Team A**  
Student Presentations  
BONUS POINTS  
Chapters 34, 35  
Agency Relationship, Nature  
Duties  
Termination

**Tuesday Session 5**  
9/23/03  
Introduction and Discussion  
Negligence (continued)  
Strict Liability  
Chapter 7
Team B  Student Presentations – General Partnerships

_______________  Forms of Business (overview only)  Chapter 36
_______________  Nature, Formation and Operation  Chapter 36, 37
_______________  of General Partnerships
_______________  Dissolution  Chapter 38

Tuesday Session 6  Introduction and Discussion
9/30/03  Product Liability—Sales Only  Chapter 20

Student Presentations

_______________  Limited Partnerships  Chapter 39
_______________  LLC, LLP  Chapter 39
_______________  Franchising  Chapter 36

Tuesday Session 7  Mid-term Examination
10/7/03

Tuesday Session 8  Optional class meeting
10/14/03  Assigned readings and team preparation

Tuesday Session 9  Introduction and Discussion
10/21/03  Overview of Contracts  Chapter 9

Note: Article 2 of the UCC (Chapter 19)
and some aspects of warranty (Chapter 20)
will be examined during the contract series.

Team C  Student Presentations – Corporations

* ____________  Nature of Corporation  Chapter 40
_______________  Organization  Chapter 41
_______________  Management  Chapter 42
_______________  Shareholders  Chapter 43
Tuesday Session 10  
10/28/03  
Introduction and Discussion  
Overview of Contracts (continued)  Chapter 9  
Offer  Chapter 10  
Acceptance  Chapter 11  
Consent  Chapter 13  

Team D  Student Presentations – Current Issues  


Tuesday Session 11  
11/4/03  
Introduction and Discussion  
Capacity  Chapter 14  
Consideration  Chapter 12  
Illegality  Chapter 15  
Writing  Chapter 16  

Student Presentations  

Bankruptcy  Chapter 29  
Intellectual Property  Chapter 8  
Commercial Torts  Chapter 8  

Tuesday Session 12  
11/11/03  
Introduction and Discussion  
Consideration (continued)  Chapter 12  
Performance  Chapters 18, 21  

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Student Presentations

______________ E-Commerce and Internet Law  Special Topic

______________

Employment Law

______________

Tuesday Session 13  Introduction and Discussion
11/18/03

Conditions  Chapter 18

Discharge and General  Chapter 18

Summation of Contract Material

Student Presentations

______________ International Business  Chapter 52

______________

Tuesday Session 14  Introduction and Discussion
11/25/03

Discharge/Performance (continued)

Remedies  Chapters 18, 22

Team E  Student Presentations  BONUS POINTS

______________ Regulatory  Chapters 48, 49

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GENERAL INFORMATION

Note that there is an opportunity to choose between an individual or a group effort. Students are reminded that if teamed with others, the presentation should be coordinated in such a way as to best utilize collective talents.

The presentations identified with an asterisk (*) are not to be selected unless all other topics have already been reserved.

Selection of presentation topic (see pages 7-10) is to occur at the end of the first class session.