PEPPERDINE UNIVERSITY
THE GEORGE L. GRAZIADIO
SCHOOL OF BUSINESS AND MANAGEMENT

DR. LARRY BUMGARDNER

MBFE 653.64

POLITICAL, REGULATORY, ETHICAL, AND LEGAL ISSUES OF BUSINESS

FALL 2003

THURSDAYS

6 P.M.-10 P.M.

VENTURA COUNTY CENTER

SYLLABUS
Political, Regulatory, Ethical, and Legal Issues of Business
MBFE 653.64
FALL 2003

Thursdays, 6-10 p.m.
Ventura County Center

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Introduction:
Although the course is often called Business Law, the full title is “Political, Regulatory, Ethical, and Legal Issues of Business.” Thus, while the main focus will be the basics of business law, we will also study the interaction of law and ethics, and how politics and government affect the business world. By the end of the course, the student should be able to identify and address a wide range of legal and ethical issues, thus knowing how to reduce potential legal liability in a variety of business contexts.

The course will require extensive textbook readings, as detailed below. These are crucial, and students are expected to complete all assigned material for each class before coming to that class. Due to time constraints, the tests may include some material from the text that was never specifically discussed in class.

Class time will be used for a mixture of class participation, lecture, group presentations, and case studies. We will focus also on relevant news and current events, such as ImClone, Martha Stewart, and Enron as we study securities law and crimes, lawsuits against the tobacco industry as we explore torts and product liability law, and the Microsoft case as we consider antitrust law. To aid in the study of these and other legal topics, students are expected to read a major daily newspaper (such as the Wall Street Journal, Los Angeles Times, New York Times, or Washington Post) in order to participate fully in class discussions on current legal issues affecting business.

Course Description:
This course examines the impact of the diverse political and social forces upon business and the law. Students will explore the historical, cultural, political, philosophical, and religious foundation of the legal and social systems as they relate to the ethical and profit dimensions of the economic complex. Honing critical thinking skills is accomplished through analysis of the above in relation to policy and implementation procedures inherent to the international and domestic markets. Key to the process is management’s understanding of how the legal and regulatory environment impacts most business issues such as employment, competition, and transaction enforcement. Emphasis also is directed to formulating, negotiating, and implementing the business agreement; evaluating the various forms of business
ownership; anticipating, neutralizing, and defending against liability; and successfully functioning within the environment of opportunity and constraint.

**Course Objectives:**

- The course is designed to include all of the following:
  1. A thorough overview of the principles of law and the basics of the legal system as they affect business;
  2. An analysis of how politics and government impact business and management;
  3. Practical application of the above principles to everyday work situations; and
  4. Frequent discussion of ethical issues related to all of the above.

**Text:**


**Grading:**

The final course grade will be based on the following components:

- Midterm exam -- 30%
- Final exam -- 35%
- Group project (see below) -- 20%
- Written assignments/quizzes (see below) -- 10%
- Class participation/attendance (see below) -- 5%

**Attendance Policy:**

Attendance at all classes is strongly encouraged and will positively impact the class participation portion of your grade. All students begin class with a C on the class participation/attendance portion of your grade. You will need to have perfect attendance and to participate significantly in class discussions to get an A on this part of your grade. By contrast, missing more than one class session, or excessive tardiness, may negatively affect this portion of your grade.

**Tests:**

The two tests (both closed-book) will be designed to assess both your knowledge of legal principles and your ability to apply those principles to new and different situations. The final exam will be *cumulative*, although greater emphasis will be placed on material covered after the midterm. **NOTE:** It is crucial that you be able to attend class on the two test nights. Make-up exams will be given only for dire emergencies, and will likely be more difficult than the original tests.

**Group Projects:**

Specific details on the type and format of these group projects will be provided at the second class meeting. The projects will include both a written paper and a class presentation, both of which will be considered in grading. The presumption is that all group members will receive the same grade, unless there is a clear and significant reason to assign differing grades. Groups probably will include two or three people.

**Written Assignments:**

There will be written assignments due for most classes, beginning with the second class. Specific assignments will be given in class. **Please note that you are to do these assignments entirely on your own, with no outside assistance or resources,**
unless instructed otherwise. Any collaboration of any type, or the use of any outside resources or assistance, will be considered a violation of the school’s conduct code.

**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.” See current catalog.

**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, at (310) 506-6500. (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.)” GSMB Catalog, pg. 31.
**Projected Schedule of Topics and Reading Assignments:**

<table>
<thead>
<tr>
<th>Class/Date Assigned</th>
<th>Topics</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>1 (8/28/03)</td>
<td>Introduction to Legal System and Constitution</td>
<td>1-3</td>
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<tr>
<td>2 (9/4/03)</td>
<td>Business Ethics and Crimes</td>
<td>4-5</td>
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<tr>
<td>3 (9/11/03)</td>
<td>Torts (Intentional, Negligence, Strict Liability); Product Liability</td>
<td>6-7; 20</td>
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<tr>
<td>4 (9/18/03)</td>
<td>Intellectual Property and Unfair Competition</td>
<td>8</td>
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<tr>
<td>5 (9/25/03)</td>
<td>Contracts</td>
<td>9-13</td>
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<tr>
<td>6 (10/2/03)</td>
<td>Agency Law; International Business</td>
<td>34-35; 52</td>
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<tr>
<td>7 (10/9/03)</td>
<td><strong>MIDTERM EXAM</strong> (The exam likely will take 2-3 hours of this class and could be preceded by other course material.)</td>
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<tr>
<td>8 (10/16/03)</td>
<td>Real Property and Bankruptcy; Environmental Regulation</td>
<td>24; 29; 51</td>
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<tr>
<td>9 (10/23/03)</td>
<td>Securities Regulation; Liability of Accountants</td>
<td>44; 45</td>
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<tr>
<td>10 (10/30/03)</td>
<td>Introduction to Forms of Business; Partnerships and Limited Liability Companies</td>
<td>36; 37; 39</td>
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<td>11 (11/6/03)</td>
<td>Corporations: Formation and Management</td>
<td>40-42</td>
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<tr>
<td>12 (11/13/03)</td>
<td>Antitrust Law</td>
<td>48-49</td>
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<tr>
<td>13 (11/20/03)</td>
<td>Employment Law</td>
<td>50</td>
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<tr>
<td>(11/27/03)</td>
<td><strong>NO CLASS -- THANKSGIVING HOLIDAY</strong></td>
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<tr>
<td>14 (12/4/03)</td>
<td><strong>FINAL EXAMINATION</strong></td>
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**NOTE:** This is only a tentative schedule of assignments. It could be revised because of schedule conflicts, the possibility of guest speakers, or changes in material to be covered to fit the interests or needs of the students. Additional and more specific assignments may be given in class throughout the trimester.