

Asbury College

Legal Issues of Business

Student Guide

ACHIEVE

Degree Completion Program



knowledge elements
educational products

(KEEP)

200 Seaboard Lane
Franklin, Tennessee 37067
Telephone: 615.771.7706 Fax: 615.250.9415

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COURSE DESCRIPTION

A basic explanation of the law—its sources, development, terminology—and a discussion of specific legal doctrines and principles which affect business, with an introduction to business organizations such as corporations and partnerships, criminal contracts, legal documents and property.

LEARNING OUTCOMES

Upon completion of this course, the student should be able to:

1. Outline and describe the major sources and types of law and the judicial system.
2. Express how law affects business including constitutional law, administrative law, statutory law, agency law, civil and criminal law, securities law, contract law, the Uniform Commercial Code, the law of property, rights of debtors and creditors, employment law and international legal issues.
3. Apply legal theories to routine business situations.
4. Summarize the legal issues involving employers and their employees.
5. Predict and explain the probable legal impact of certain managerial decisions.
6. Communicate a basic understanding of the legal system including the jurisdiction of courts, alternative dispute resolutions, the importance of quality legal advice, and current legal trends.
7. Identify emerging legal trends that affect business decisions.
8. Assess case situations for facts, disputes, legal issues, errors made and probable outcome.
9. Explain the various business legal forms and how business capitalization takes place.
10. Identify and suggest current legal issues that have the potential to impact business decision making including use of the Internet and e-mail.
11. Summarize or demonstrate how laws and legal forms affect business competition, marketing and sales.
12. Explain how business is/should be regulated by government agencies as well as affected by consumer advocacy groups.
13. Identify and discuss ethical issues and challenges facing business firms and managers.
14. Articulate major legal challenges facing businesses.

TEXTS AND MATERIALS

Texts:

Jennings, Marianne M. *Business: Its Legal, Ethical, and Global Environment*. Seventh Edition. Mason, OH: West Legal Studies in Business, a division of Thomson Learning, 2006. ISBN 0-324-20488-4.

Course Pack (2008). *Legal Issues of Business*. Franklin, TN: knowledge elements, inc. Reference Number BUS51-01.

STUDENT EVALUATION

Students in this accelerated course will be evaluated by the College's standard grading system. Refer to the Student Handbook or the College Catalog for further details. The criteria for determining that grade will be as follows:

1. (25%) Completion of assigned written exercises and reading (see Student Assignments pages for exact assignments).
2. (20%) Participation in class discussion and group activities. The criteria will be the quality and quantity of the contribution to the group.
3. (50%) Final Paper—Refer to the next page for instructions on how the Final Paper is to be prepared. The Final Paper will be due one week after the final class period delivered to the College, sent by e-mail, or postmarked on that date. Turning in the Final Paper late will result in a penalty on the grade for the Final Paper.
4. (5%) Quality of comments, insight and extent of learning as reflected in the student's journal. The student is required to write in the journal at the close of each session and may add to it at other times such as after reading an assignment or completing an exercise. The journal is to be handed in with the Final Paper.

Attendance: Any class missed must be made up. The student is obligated to contact the instructor to make suitable arrangements in case of any absence or tardiness. Unexcused absences and absences not made up will adversely affect the student's grade.

Late Work Or Work Not Handed In: Any written exercise or the Final Paper handed in after 6 p.m. on the due date will result in a reduction of the grade for that item. Any item not turned in will result in an "F" for that item and a reduction in grade for the course.

FINAL PAPER

Each student must complete a Final Paper. Students may use any material or talk to any person as a part of developing the Final Paper, but every word (unless expressly quoted with appropriate credits given) must be that of the student submitting the paper. Any use of material written by another person without credit given will be considered plagiarism which is a serious offense in the academic community. Plagiarism will result in at least an "F" for the Final Paper.

Students are encouraged to begin taking notes on how they will respond to the Final Paper questions as they progress through the course. This material can come from class notes, reading in the texts, or it may be found in the journal. The journal is intended to be a major help in producing the Final Paper. As a result, it is very important that the journal writing be taken seriously. In addition, the journal itself constitutes a part of the student's grade for the course.

The Final Paper is to be submitted in typewritten, double-spaced form on one side only of 8½" x 11" white paper. A cover page should clearly indicate the student's name, course name, instructor's name and the date submitted. The Final Paper will be due one week after the final class period.

Answer each of the following questions as part of your Final Paper:

1. Prepare a statement of at least one page but not more than two pages on the statement by Justice Potter Stewart which appears on page 33.
2. The Final Paper requires you to review the cases listed below and answer clearly the questions that follow each case. Demonstrate in your answers that you clearly understand the fact and the dispute, and that you can apply the concepts and law clearly to the case.
 - Quill Corporation v. North Dakota (Case 5.3, pp. 167-168)
 - Warner-Lambert Company v. FTC (Case 11.2, pp. 416-417)
 - Cantu v. Central Education Agency (Case 13.4, pp. 524-525)
 - Utah Pie Company v. Continental Baking Company (Case 17.6, pp. 689-691)
 - Whirlpool Corporation v. Marshall (Case 19.1, pp. 747-748)

Note: In some cases there is additional material about the case at the beginning of the chapter.

3. Read all of Chapter 8. Write a paragraph about each of the cases in this chapter (8.1, 8.2, 8.3, 8.4, 8.5, 8.6 and 8.7) in which you identify three key business law issues in each case.

COURSE OVERVIEW

The purpose of this course is to provide you with a structured exposure to the concepts, sources, uses, development and terminology related to law as it applies to business. The text is excellent, readable and filled with outlines, cases, practical exercises and a unique "For the Manager's Desk" series that help apply the content to your career.

This last feature is especially important for teaching legal theory isn't easy, and even mature students come into a group like this with many preconceived notions about the way the law works. Sometimes personal values are difficult to reconcile with legal decisions, and underlying legal principles are overlooked in the heat of the moment. We hope that, after working with the practical applications, you will develop a new appreciation of time-honored principles and understand how these apply to present-day law.

Very early you will realize that this course is filled with reading, writing, making case decisions and thus applying rules, concepts and legal principles.

Many people come to a group studying law with conclusions and opinions that law is very unorganized and a mass of confusion. This course will help put some structure to your views on law and help you apply legal principles to decision making and your work environment.

Setting aside a regular time each day for study will work much better than trying to prepare for class the night before. You will need to read a great deal of the material more than once for clarity.

You will be discussing cases and your prepared responses to selected study questions in class. This will be part of your class participation grade.

You are encouraged to see the learning in this course as essential background to the many roles you might have as a manager or supervisor. A thorough understanding now will serve you well in the future. As part of this, it is suggested that you keep the text at your place of work as a ready reference.

The very best of luck as you begin this course.

LOGISTICS CHART

Hour	Week 1	Week 2	Week 3	Week 4	Week 5
1	Introduction to the Course Introduction to Law and the Legal System	Managing Disputes Business Crime	Contract Law Intellectual Property	Contracts and Sales Formation Contracts and Sales: Performance and Remedies	Employment Discrimination Organizational Structures
2	The Judicial System Administrative Law	(continued) Break	(continued) The Calvin Klein Case	(continued) Financing of Sales and Leases	(continued) Case Study: Burlington Industries, Inc. v. Ellerth
3	(continued) Break Pushovers for Ponsi Business and the Constitution	United States v. Ahmad Business Torts	Break Real and Personal Property	Break Employment Conditions	Break Perfect Form Securities and Business Business Ethics and Social Responsibility
4	(continued) International Law Journal Entry	(continued) Product Advertising and Liability Journal Entry	Environmental Law Antitrust Laws Journal Entry	Employment Welfare Journal Entry	(continued) Journal Entry Course Evaluation

STUDENT ASSIGNMENTS

Week One

1. Read the Course Overview in the Student Guide.
2. Read Jennings, Chapters 1, 3, 5, 6 and 7, and prepare written responses to the following study questions:

Chapter 1, "Introduction to Law"

1. What is the purpose of law?
2. What is a judicial opinion?

Chapter 3, "The Judicial System"

1. How are courts created?
2. What is meant by a court's jurisdiction?

Chapter 5, "Business and the Constitution"

What makes the United States Constitution a "remarkable document"?

Chapter 6, "Administrative Law"

1. Explain what due process includes.
2. What is a federal regulation?

Chapter 7, "International Law"

Define NAFTA, IMF and Repatriation.

3. Read the United States Constitution in Appendix A of Jennings (pp. A-1 to A-11).
4. Read "Pushovers for Ponsi" in the Course Pack and prepare a written response to the following study question:

Why do you think so many Christian organizations bought into the Ponsi scheme?

Week Two

1. Read Jennings, Chapters 4, 9, 10 and 11, and prepare written responses to the following study questions:

Chapter 4, "Managing Disputes: Alternative Dispute Resolution and Litigation Strategies"

What advantages are there to arbitration over a court proceeding?

Chapter 9, "Business Crime"

What is an arraignment?

Chapter 10, "Business Torts"

Define a business tort.

Chapter 11, "Product Advertising and Liability"

Answer the questions on page 413 at the end of Case 11.1 (Castro v. QVC Network, Inc.).

2. Read Case 9.4 (United States v. Ahmad) on pages 336-339 and prepare a written response to the following question in preparation for group discussion:

What is the importance of the judicial concept of "knowingly violates"?

Week Three

Read Jennings, Chapters 12, 16 and 17, and prepare written responses to the following study questions:

Chapter 12, "Environmental Regulation"

Answer the questions on page 483 at the end of Case 12.4 (Bennett v. Spear).

Chapter 16, "Business Property"

1. What is intellectual property?
2. Do you have hopes of owning (not just have in your possession) any intellectual property (or own it now)? How will you protect it?
3. Answer the questions on page 628-629 at the end of Case 16.1 (Campbell v. Acuff-Rose Music, Inc.).
4. Read the biography (Calvin Klein and Linda Wachner) on page 641 and be prepared to discuss it in class.

Chapter 17, "Trade Practices: Antitrust"

What is the biggest struggle we currently face in antitrust activities?

Week Four

Read Jennings, Chapters 13, 14, 15, 18 and 19, and prepare written responses to the following study questions:

Chapter 13, "Contracts and Sales: Introduction and Formation"

Answer the questions on page 530 at the end of Case 13.5 (M.A. Mortenson Co., Inc. v. Timberline Software Corp.).

Chapter 14, "Contracts and Sales: Performance and Remedies"

Read the labels on three different brands of juices on the market today and then write down the contents shown in comparison to the title of the product (for example, a product of cranberry-raspberry juice—does it list actual cranberry juice and raspberry juice in the contents?). Has the manufacturer misrepresented the product in the sale (contract) with the purchaser?

Chapter 15, "Financing of Sales and Leases: Credit and Disclosure Requirements"

Answer the questions on page 584 at the end of Case 15.1 (A.B.&S. Auto Service, Inc. v. South Shore Bank of Chicago).

Chapter 18, "Management of Employee Conduct: Agency"

Answer the questions on page 710 at the end of Case 18.2 (Silva v. Bisbee).

Chapter 19, "Management of Employee Welfare"

What is the difference between an "independent contractor" and an "employee"?

Week Five

1. Read Jennings, Chapters 2, 20, 21 and 22, and prepare written responses to the following study questions:

Chapter 2, "Business Ethics and Social Responsibility"

What lessons can be learned from the Sadhu?

Chapter 20, "Employment Discrimination"

Respond to question 1 on page 837 under "Questions and Problems."

Chapter 21, "Forms of Doing Business"

Identify one type of business that would be appropriate for each of the forms listed in Exhibit 21.1.

Chapter 22, "Securities Law"

What are the requirements that affect primary offerings?

2. Read "Perfect Form" in the Course Pack and prepare a written response to the following study question:

Why did Deborah Williams change the form for her organization?