

**LEB 323-Business Law
Fall 2011
Professor Paula Murray
03215**

Class Time: 12:30- 2:00 TTH

Classroom: GSB 2.122

Office: CBA 2.400, Undergraduate Programs Office

Office hours: 11-12:15 MW; other times may be scheduled by appointment.

Email: pmurray@mail.utexas.edu

TEXT: BUSINESS LAW (12th custom edition) by Allison & Prentice; a Course Outline is available on Blackboard.

Course Objectives: This course is intended to achieve at least two ends: (1) the development of a basic knowledge of the legal questions that can arise in the course of doing business, and (2) the development of analytical skills and reasoning power. In pursuing objective 1, I hope that you will be able to recognize legal and ethical issues in order to avoid problems or to aid in the determination to seek professional legal advice. As your retention of particular legal rules decreases over time, and as the law changes, objective 1 becomes frustrated. Objective 2 is by far more important within the framework of your professional education. While the rules of law are either forgotten or altered, your ability to analyze and reason should be actively developed during business school and continually refined thereafter.

Grading: There will be two exams of equal weight (30% each). They will not be cumulative. If you must miss an exam for any reason, the percentage weight of that exam will be added to the final exam, i.e., it will count 60% of your grade. I strongly encourage you not to skip the first exam. The exams are very challenging and I find that students generally improve as they become more familiar with the exam format. Practice makes perfect. The final exam may not be missed. If you choose to sit for an exam, the exam grade will count (it cannot be dropped). Once you have received the exam, you must complete it. **THE EXAM TIMES ARE NOT GOING TO BE CHANGED. MAKE YOUR TRAVEL PLANS/INTERVIEWS ACCORDINGLY.**

Your grade will be based on:

Midterm Exam 30% of grade

Final Exam	30% of grade
Group Project	30% of grade
Class Participation	10% of grade

Ethics Term Paper/ Project: In about a week I will randomly assign teams to work on a term paper or project. I'll also discuss paper/project topics with you. The general notion is that teams of four (or so) will write 8-12 page term papers on some aspect of ethics in business. This project will allow you to work on your research, writing, and teamwork skills while learning more about a relevant topic than I have time to cover in class. You are strongly encouraged, however, to use your creativity to do something other than a boring paper. Last semester groups did a variety of things—developed web sites, board games, one group even cut a CD and sang their project (none of them should quit their day jobs)—bottom line, this is a chance to break out of the business mold and see how it feels to be a liberal arts student! The project will be 30% of your grade.

Here are some suggested topics:

1. What strategies should countries around the world adopt to fight international bribery?
2. What policies should tobacco companies adopt in regard to marketing their products ethically?
3. Is insider trading unethical? Or should it be legalized because it isn't unethical?
4. Are golden parachutes unethical?
5. When are companies justified in engaging in employee drug testing?
6. Identify an ethical question arising from Cyberspace technology, and answer the question.
7. Do companies have an ethical obligation to provide benefits for same-sex partners of employees?
8. Is affirmative action an effective diversity/opportunity policy? A fair one? If yes, explain why; if no, what alternatives, if any, do you believe should be adopted to provide equal employment opportunity?
9. What are the ethical implications of stem-cell research that is conducted to develop products that help human beings? Is stem-cell research for medical treatment advancement ethical?
10. Fast food companies are currently under fire for marketing high-fat products to children, thereby contributing to a fast-growing problem of childhood obesity. What

are the practices that are being criticized, and which, if any, do you consider unethical? Explain why.

11. Explain the basics of the Sarbanes-Oxley Act and its efforts to improve practices in accounting. Then examine the main provisions critically, and assess whether they seem likely to be effective in elevating ethical practices in the accounting profession.
12. Greenmail is money demanded of incumbent management by a corporate raider, under threat that if it is not paid, the raider will take over the company and fire the management. Some critics say it should be outlawed; others say it can actually serve useful purposes. Explain what greenmail is and how it works in more detail; then explain the countervailing perspectives on whether greenmail should be permitted under law, and finally provide your perspective on the debate and explain why you support that perspective.
13. Is strategic default by homeowners ethical? Why is it ok for businesses to default but not for residential home owners?
14. What happened in the mortgage meltdown? What happened with mortgage backed securities? Did unethical behavior contribute to the problem?
15. **You and your team may suggest another topic, but need to get my approval in advance.**

Attendance: I will take attendance. I expect everyone to be on time. Excessive tardiness (and I will be the judge of that) will be treated as absences.

We will be covering many subjects in much more depth than the text does, so you need to be in class. You may miss **three** classes for any reason (good, bad or indifferent), after that your grade will suffer. You do not need to inform me if you choose to miss a class or a mid-term exam.

Cell Phones, Internet Surfing, Email, Twittering and Texting: Turn your cell phone off before class. **YOU MAY NOT USE YOUR LAPTOP IN CLASS.** Big surprise, too many former students abused the laptop privilege. You are to be listening with bated breath to my brilliantly insightful lectures and the equally stimulating class discussion. No other type of communication should take place during our 75 minutes together. Remember I can see you. I will know if you are not listening and this includes reading the newspaper or doing the crossword or sudukow. Violation of this policy will materially affect your final grade.

Class Participation: Also, we will be covering many cases in the book. I will ask for volunteers to brief the case (I will explain this more later). I will keep a tally of the volunteer. I will also keep a tally of those people who *intelligently* participate in class

discussion. Every student is expected to participate in classroom discussion. 10% of your grade will be based on class participation.

I will hand out a seating chart on the 2nd or 3rd day of class and would like everyone to sit in his/her assigned seat for the semester.

Course Outline (schedule may be modified as time allows): I will tell you the exact assignment before each class.

Introduction: 8/25

Chapter One: Nature and Sources of Law: 8/30 & 9/1

Chapter Four: Common and Statutory Law: 9/1

Chapter Two: Court Systems and Jurisdiction: 9/8

Chapter Three: Litigation: 9/13

Chapter Eight: Torts: 9/15, 9/20, & 9/22

Chapter Twenty: Warranties and Product Liability: 9/27 & 9/29

First Exam 10/4

Chapter Ten: Nature of Contracts: 10/6 & 10/11

Chapter Eleven: The Agreement: 10/11 & 10/13

Chapter Twelve: Consideration 10/18 & 10/20

Chapter Twenty Two: Agency 10/25

Chapter Twenty Three: Agency—Liability of the Parties: 10/27

Chapter Thirty: Employment Law: 11/1, 11/3 & 11/8

Chapter Nine: Intellectual Property: 11/10, 11/15 & 11/17

Ethical Issues in Business: Chapters 36-39; Case Assignments to be handed out: 11/22, 11/29 & 12/1

Midterm Exam: Tuesday, October 4.

Ethics Paper/Project: Thursday, December 1 at class time.

Final Exam: Friday, December 9 at 9 am. YOU MUST TAKE THE EXAM AT THE SCHEDULED TIME. THERE WILL BE NO EXCEPTIONS. MAKE YOUR TRAVEL PLANS ACCORDINGLY.

OFFICIAL NOTIFICATIONS:

1. Scholastic Dishonesty: I have no tolerance for scholastic dishonesty. Your responsibilities with regard to scholastic dishonesty is described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business. The following is a portion of that statement:

By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://www.utexas.edu/depts/dos/> or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

2. Students with Disabilities: The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.