
Central Michigan University
College of Business Administration

MASTER COURSE SYLLABUS

<u>BLR</u>	<u>202</u>	<u>Legal Environment of Business</u>	<u>3(3-0) F, Sp</u>
Design.	No.	Title	Credit (Mode)

I. Bulletin Description

Introduction to the concept and use of law as a social institution. Open to both nonbusiness and business students. (Group III-B)

II. Prerequisites

None

III. Rationale for Course Level

This course is designed for college sophomores with no prior study of the law.

IV. Textbooks and Other Materials To Be Furnished by the Student

Meiners, Roger, Ringleb, Al H., & Edwards, Frances, *Legal Environment of Business 8th Edition*, West (2002)

V. Special Requirements of the Course

None

VI. General Methodology Used in Conducting the Course

Lecture, written case study analysis, group case study analysis, in-class assignments designed to increase writing and analytical thinking.

VII. Course Objectives

Upon completion of this course the student will be able to:

1. Demonstrate an understanding of the background and nature of democracy, the U.S. Legal system, and how law, as an institution, functions in society.
2. Know the four sources or types of law: constitutional, statutory, administrative regulations and case law (common law).
3. Explain how ethics, as compared to law, influences business decisions.
4. Explain how the state and the federal court systems work and interact.

5. Describe the following methods of dispute resolution: litigation, negotiation, arbitration, and mediation.
6. Explain the source and nature of the constitutional powers of governments to regulate business and specifically the commerce clause.
7. Demonstrate an understanding of the following constitutional limitations on power of governments: equal protection, due process.
8. Explain the role of administrative agencies in the regulation of business.
9. Demonstrate an understanding of the following areas of tort law: negligence, intentional torts, and strict liability.
10. Demonstrate an understanding of basic contract formation law.
11. Demonstrate a basic understanding of the damages and remedies the law provides in civil matters.
12. Demonstrate a basic understanding of the law of real property, tangible and intangible personal property (e.g. Intellectual property).
13. Prepare, in written form, organized and logical solutions to simple legal problems by application of relevant legal principles.

VIII. Course Outline

(Include material to be covered in class and a schedule of topics to be covered, this should reflect dates or weeks etc.)

Weeks 1-4: Legal Process:

The Background and Nature of the American Legal System

a) Part I concentrates on the methodology of the law, both in its institutional (the legal/judicial system) and analytical (legal reasoning) aspects. That methodology includes: a) clear delineation of the issues or interests in conflict; b) painstaking accumulation of the available facts bearing on the conflict; c) sifting and weighing of those facts for relevance and probity; d) fashioning of and appeal to a decisional rule; and e) application of the rule to the relevant facts. The institutional knowledge and critical thinking skills learned here are used throughout the balance of the course. Topics examined include:

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| 1) Sources of Law | 5) Legislation and Statutory Interpretation |
| 2) Divisions of Law | |
| 3) Common Law Origins | |
| 4) Common Law and Equitable Remedies | |

6) Judicial Law-Making & Legal Reasoning
7) Jurisdiction and Court Systems

8) Civil Procedure
9) Limitations of Law

Weeks 5-9: Constitutional Law:

All of law must honor constitutional requirements. An examination of some of the landmarks in American constitutional law serves as an introduction to the fundamental values of justice, fairness, equity and due process. Topics examined include:

- a) Structural Principles: Separation of Powers and Federalism – an investigation into the fractioning of power between states and the federal governments, and within each government among the executive, legislative, judicial and administrative branches.
- b) Powers of Government – special attention is paid to the reach of the commerce powers of the federal government and state police powers, both for the effects constitutional decision have had on the American economic and social systems and as examples of federalism and separation of powers. Eminent domain and the taxing and spending powers are also treated.
- c) Limits on the Powers of Government
 - 1) Substantive Due Process– certain goals government is not permitted to attain. The Constitution contains both enumerated and unenumerated limits. Examples may be drawn from free speech and commercial speech doctrines under the former, and the freedom of contract (Lochner to Nebbia/West Coast Hotel) and privacy doctrines under the latter. The demise of the freedom of contract doctrine in particular provides insight into the growing dominance of legislatures (separation of powers) and the federal government (federalism) in 20th century economic affairs.
 - 2) Equal Protection – the requirement that those similarly situated must be treated equally, and the tests devised to identify those similarly situated, tests that have been critical in shaping economic and civil liberties.
 - 3) Procedural Due Process – the requirement that, if life, liberty or property interests are at stake, persons are entitled to notice of adverse government action and an opportunity to be heard, a cornerstone of western legal systems.

Weeks 10-13: Private (Common) Law:

- a) Private or common law (judge-made law) identifies property rights of individuals and specifies the obligations one person owes another.
- b) Property – property as an institution began its life in Anglo-American law with the development of feudalism. As such, law itself became highly constrained by a view of society's wealth as residing only in land or real property. A developing market system caused wealth to shift into goods, while later industrialism brought

a shift into intangibles and promises, and in the future (post-industrialist) the basis wealth may shift once again—this time into personal and professional reputation, skill and knowledge. Any one of a series of cases may be traced to show how the law in various instances has shaped the shifting base, and has accelerated or retarded movement.

- c) Contract- a great deal of decision-making in this society is left to private parties. The way in which the parties accomplish their goals is by voluntary agreement. The state permits this private rule making in part because it seems to be more efficient and in part because to intervene would seem to indicate that persons other than the agreeing parties know what is good for them—an assertion many have been unwilling to make. Indeed, contract development in the law was a companion to the rise of classical theory in economics and democratic theory in politics.
- d) Tort and Product Liability – any obligations that individuals owe to one another, other than statutory or contractual, are determined under the law of torts. Tort law may conveniently be studied under its historical classifications.
- e) Intentional Harm-Here are studied the doctrines on intentional wrongdoing.
- f) Negligence-Stressed here is the “reasonable man” standard for determining the standard of care owed, and the foreseeability doctrine as a limitation upon liability for injury to another.
- g) Strict liability- While categories one and two are fault-based, liability is imposed here on a non-fault basis. Focus is upon the extra hazardous activity and product liability doctrines, with particular attention to the ethical and economic bases for the doctrines. Perhaps demonstrated more clearly here than any other single place is the conflict between economic efficiency and fairness.

Weeks 14-15: Public Regulatory (Statutory) Law:

- a) Regulatory law is the exercise of government powers (usually police or commerce powers) to require some citizens at some times to subordinate their interests to the interest of the entire community. Such laws are usually legislative in origin. How and when such laws may be made, and the fairness of them, is the subject of Part IV of the course. Selected examples will be drawn from international law and from administrative law, antitrust law, consumer law, employment discrimination law, environmental law, or labor law.

Week 16: Final exam

IX. Evaluation

At least 50% of final grade will be based on an evaluation of the student's analytical and expository writing. The student's online bulletin board performance may be considered part of the analytical and expository writing.

X. Bibliography

Miller, Roger & Jentz, Gaylord, *Business Law Today*, 5th Ed., West (1999)

Mann, Richard & Roberts, Barry, *Smith and Roberson's Business Law*, West (1999)

Clarkson, Kenneth (Ed), *West's Business Law: Text and Cases--Legal, Ethical, Regulatory, International and E-Commerce Environment*, (2000)

Mallor, Jane (Ed), *Business Law and the Regulatory Environment: Concepts and Cases*, West (2000)

Miller, Roger, Jentz, Gaylord, & Cross, Frank, *West's Business Law: A Case Study Approach*, West, 2003

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Beatty, Jeffrey, Samuelson, Susan, Mann, Richard, *Business Law for a New Century - Alternate Edition*, West 2002

Mann, Richard, Roberts, *Business Law and the Regulation of Business*, 7th Edition, West (2002)

Beatty, Jeffrey & Samuelson, Susan, *Business Law for a New Century*, 2nd Edition, West (2001)

Anderson, Ronald, Twomey, David, & Jennings, Marianne, *Anderson's Business Law and the Regulatory Environment: Principles and Cases*, 14th Edition, West (2001)

Davidson, Daniel & Knowles, Brenda, *Business Law: Principles and Cases in the Legal Environment*, 7th Edition, West (2001)

Ostapski, S. Andrew, *Business Law: The Game*, West (2001)

Miller, Roger, & Jentz, Gaylord, *Business Law Today*, Comprehensive Edition, 5th Edition, West (2001)

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Prentice Hall (2002)

Bixby, Michael, Beck-Dudley, Caryn, Cihon, Patrick, *The Legal
Environment of Business*, Prentice Hall (2001)

Lopez, Victor, *The Legal Environment of Business*, Prentice Hall (1997)

Cheeseman, Henry, *Contemporary Business and E-Commerce Law: The Legal,
Global, Digital and Ethical Environment, 4th Ed.*, Prentice Hall (2003)

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Date