THE UNIVERSITY OF TEXAS AT AUSTIN
McCOMBS SCHOOL OF BUSINESS

SYLLABUS

LEB 323
Unique #s 03270 and 03260

THE LEGAL AND ETHICAL ENVIRONMENT OF BUSINESS

Fall 2013

INSTRUCTOR: GRACE FISHER RENBARGER, J.D.

Day/Time/Classroom: Unique #03270—TTH 8:00 – 9:30 A.M. UTC 1.102
Unique #03260—TTH 9:30 – 11:00 A.M. UTC 1.104
**You must attend the section for which you are registered.**

Office: CBA 5.124B

Office Hours: TTH 12:30 - 1:30 P.M. or by appointment (please schedule via email)

E-mail: grace.renbarger@mccombs.utexas.edu (this is my preferred method of communication—I check email frequently and will always respond within 24 hours)

Course Objectives: After taking this course, students will be able to:
- Identify legal issues that arise in everyday business situations
- Demonstrate knowledge and application of business law principles and terms, and apply these principles and terms to business situations involving legal issues
- Apply legal reasoning and critical analysis to business issues involving legal questions
- Identify ethical issues and formulate defensible resolutions

Introduction: Social order is essential to commerce. As one of the primary means for maintaining social order, legal principles and processes facilitate the creation and operation of markets by providing necessary assurance to investors, sellers, buyers, employees and others that their reasonable commercial expectations will be realized. While serving this positive function, however, law simultaneously operates as the most pervasive external constraint on business decision-making. Customary ethical norms also constitute a significant factor in both the maintenance of social order and the imposition of external constraints on business.

In other words, law and ethics are fundamental to business. They both facilitate and limit virtually all business activity. As a top executive of a Fortune 50 company recently noted, “[i]t’s not possible to think of a [business] strategy that doesn’t have a legal compliance and regulatory element to it.” Clearly, even if you do not intend to specialize in business law or ethics, no business education would be complete without the study of these topics.
This doesn’t mean you have to memorize the countless laws and regulations that apply to business, or be able to articulate complex philosophical or psychological theories relating to ethical behavior. But it does mean that you need to be able identify potential legal and ethical issues and problems, have some tools to help you analyze and resolve them, know when to consult an expert, and know enough about the subjects that you can knowledgeably evaluate the expert’s advice and effectively incorporate it into your business decision making.

**Ethics & Leadership Flag:** This course carries the Ethics and Leadership flag. Courses carrying this flag are designed to equip you with skills that are necessary for making ethical decisions in your adult and professional life. You should therefore expect a substantial portion of your grade to come from assignments involving ethical issues and the process of applying ethical reasoning to real-life situations.

**Textbook:** *BUSINES LAW: TEXT AND CASES*, by John R. Allison & Robert A. Prentice (14th Custom Edition by University Co-op; comes in paper form, electronic or both). Like most texts in this field, the textual material is interspersed with edited court decisions to show you how the law and the legal system actually work. Note: Previous editions won’t work because the authors make substantial changes in each new edition.

I will also use various supplementary materials—either handed out in class, posted on Blackboard or otherwise made available to you.

**Grading Policy:** Grades will be fair and impartial using the following components and weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Class Contribution</td>
<td>10%</td>
</tr>
<tr>
<td>Ethics Assignment</td>
<td>10%</td>
</tr>
<tr>
<td>Exam #1</td>
<td>25%</td>
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<tr>
<td>Exam #2</td>
<td>25%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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<tr>
<td><strong>Total</strong></td>
<td>100%</td>
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</tbody>
</table>

I grade on a curve and final grades will be assigned the following values (normal rules of rounding apply):

- A 93-100%
- A- 90-92%
- B+ 87-89%
- B 83-86%
- B- 80-82%
- C+ 77-79%
- C 73-76%
- C- 70-72%
- D+ 67-69%
- D 63-66%
- D- 60-62%
- F Below 60%

I may give extra credit opportunities throughout the semester but you should not expect it and don’t ask for it.
Exams. Exams will be multiple choice and true/false but they will not be easy. Exams are closed book, closed note—you **may not** use textbooks (hard copy or electronic), notes, outlines, etc. during the exam. Most of the questions will consist of fact situations and you will have to do some analysis and apply legal principles to choose the best answer. There may be some questions asking about legal terms and principles but you will not be required to remember the names of court cases, titles of statutes or specific dates. Exam questions will come from both class lecture/discussion and the assigned reading and other materials. They will cover both legal and ethical issues. No laptops, cellphones or other electronic devices will be allowed to be used during the exam. During exams, you may not leave the room until you are finished (**i.e., if you leave the room before the end of the exam period you will not be allowed to re-enter**). Note: If you need disability accommodation for an exam, you must comply with the requirements outlined in the “Students with Disabilities” section below.

Mid-terms are tentatively scheduled for **Tuesday, October 1**st and **Tuesday, November 5**th during the regular class time, but I may have to change those dates depending on how the semester goes. I’ll keep you posted.

The **final exam** is *cumulative* and will be given at the officially scheduled time (no exceptions):

**Wednesday, December 11**th, **7:00 – 10:00 P.M.** (Unique #03270)  
**Saturday, December 14**th, **7:00 – 10:00 P.M.** (Unique #03260)  
**You must attend the exam session for the course section for which you are registered.**

I do not give makeup exams (subject to applicable University policy). If you miss a mid-term exam, the percentage weight of that exam will be applied to the final exam. So, for example, if you miss one of the mid-terms, your final exam will count for 50% of your grade instead of 30%; if you miss both mid-terms, your final exam will count for 70% of your grade. (And no, you can’t take a mid-term exam and then drop the score and have that exam’s percentage weight apply to your final exam. Once you take an exam, the score will be factored into your overall course grade.) You must take the final exam or you will get a zero on it. Unlike the mid-terms, the weight of a missed final exam will not be assigned to another exam. So do not plan anything else during the scheduled final exam time.

I will consider giving a makeup exam only in the event of a documented serious illness or emergency validated by Student Emergency Services.  
[http://deanofstudents.utexas.edu/emergency/](http://deanofstudents.utexas.edu/emergency/) ** Obviously, the makeup exam will not have the same questions as were on the regular exam and could be short answer/essay rather than objective.

Ethics Assignment. You will be required to analyze an ethical dilemma using the business ethics material from this course. You will be required to turn in a hard copy typewritten paper, double-spaced, not to exceed 2 pages in length. You will have two weeks from the date of assignment to turn in your written paper.
**Class Contribution:** Although this course is primarily lecture-based, we will have opportunities for class discussion each day. You Class Contribution grade will be based on the following factors:

- Attendance
- Preparation
- Participation
- Case Brief

**Attendance.** As Woody Allen once said, “80% of success is showing up,” and you will definitely find that to be the case in this class. Many studies show that attendance is highly correlated with grades (much more highly than cramming the night before an exam, for example) so it’s really in your best interest to live up to Woody’s standards.

I will prepare a seating chart the second or third day of class and will use it to check attendance, put names with faces, distribute exams and call on students. You’ll need to sit in your assigned seat on the chart for the entire course or else you’ll be counted absent (or called by someone else’s name). If you later wish to move, please check with me.

At the beginning of each class, attendance will be marked. If you are in your seat ready to participate at the beginning of class, you will get credit for that day. If you were not present and ready at the beginning of class you will not. There are no excused absences or unexcused absences; therefore no correspondence regarding attendance is needed. Students should keep track of their own attendance, please do not request information on your own attendance.

**Preparation.** I will post assignments for the coming week on Blackboard and send an Announcement via mass email, typically no later than each Thursday afternoon. You (and the rest of us) will get much more out of this class (including better grades) if you come to class having read the assignments, briefed the cases (explained below) and being fully prepared to ask and answer meaningful questions and participate in the discussion. Coming to class unprepared wastes your and everyone else’s time and, as I learned from painful personal experience, can lead to public humiliation. I still cringe when I recall Professor Weintraub’s scolding,” Ms. Fisher, law school is not a spectator sport!” Please don’t make me become Professor Weintraub. Or give pop quizzes, which I reserve the right to do if students are consistently unprepared.

**Participation.** This will be evaluated in terms of (a) your answers to questions asked by me in class; (b) questions you ask of me in class; and (c) your participation in general class discussions. In this regard, quality and thoughtfulness are much more important than quantity and volume.

**Case briefs.** A case brief is a short written summary of a case (basically, a case brief is to a law case what a book report is to a book). Case briefs should contain: (i) the name of the case, (ii) the essential facts, (iii) the disposition (if any) of the lower court proceedings, (iv) the issue(s) presented to the court, (v) the resolution of the issue(s), and, most importantly, (vi) the court’s rationale for deciding the case as it did.
I will post an example on Blackboard. You are encouraged to prepare case briefs for all the cases in the assigned readings in the textbook. When we discuss a case in class, I will ask for volunteers to stand and “recite” (not read) their case brief. Doing so will have a positive effect on your Class Contribution grade.

In addition, all students are required to turn in one (and only one) typewritten brief of a case chosen from a list of cases I will provide. Your case brief must be turned in by the last regular class day. No late briefs will be accepted. Turning in multiple written case briefs will not improve your Class Contribution grade.

**Negative Class Contribution Factors.** Counterproductive, disruptive or rude behavior will negatively affect your Class Contribution grade (or worse). Please don’t carry on side conversations with your neighbor, read a newspaper, eat noisy or smelly foods, text or otherwise distract me or your classmates. Violating the Technology Policy (below) will also negatively affect your Class Contribution grade (or worse). Likewise, lying, cheating, plagiarizing otherwise violating the Scholastic Dishonesty Policy (set out below) will negatively affect your Class Contribution grade (and definitely worse). Of course, it should go without saying that engaging in unethical behavior in a class on ethics is more than just very, very wrong.

**Technology Policy:** Recording of lectures is not permitted. If you purchased the electronic version of the textbook, you may use a laptop, ipad, tablet, e-reader or similar device to access it during class. If you wish to take notes on your computer during class, you may do so as long as you sit in the last two rows of the classroom—farthest from the front of the room. **No other use of electronic devices is permitted.** That means no gaming, emailing, Googling, Facebooking, Skyping, Instagraming, Redditing, Tumblring, Tweeting, Snapchatting, Pinteresting, Youtubing, Yelping, Quoraing, Baiduing, Twilioing, Dwollaing, Orkuting, or Anythingelsing in class. Taking notes and accessing the electronic version of the textbook is all you are allowed to do. You really need to be fully engaged and paying attention in class to get the benefit of what you (or your parents or the taxpayers or the scholarship providers) have paid for. **No cell phones or ipods may be used in class** (if you are expecting an emergency call, please set your phone to vibrate and step out of class to take it). Except as permitted above, all cell phones, ipods, laptops, ipads, tablets, e-readers and other electronic devices must be turned off and put away or there will be consequences. If you have ever been to the Alamo Drafthouse movie theater, you know what I’m talking about.

**Substantive Topics:** My plan is to cover select material from the following chapters in the textbook in this order. I may make adjustments to this order as the semester goes on. Some topics will be covered in a day or less and some make take several days.

- Ch. 1: Nature and Sources of Law
- Ch. 2: Court Systems, Jurisdiction, and Functions
- Ch. 3: Litigation and Alternative Methods of Dispute Resolution
- Ch. 4: Common and Statutory Law
- Ch. 5: Constitutional Law
- Ch. 7: Criminal Law and Business
- Ch. 36: Business Ethics and the Law
Ch. 37: Business Ethics and Individual Decision Making  
Ch. 8: The Law of Torts  
Ch. 20: Sales: Warranties and Products Liability  
Ch. 9: Intellectual Property  
Ch. 10: Nature and Classification of Contracts  
Ch. 11: The Agreement  
Ch. 12: Consideration  
Ch. 13: Illegality  
Ch. 14: Voidable Contracts  
Ch. 15: Contracts in Writing  
Ch. 22: Agency: Nature, Creation, Duties, and Termination  
Ch. 23: Agency: Liability of the Parties  
Ch. 30: Employment Law  
Ch. 38: Ethics, Organizations, Corporate Social Responsiveness  

If time permits, we may also cover other topics in the textbook. I’ll let you know.

**Helpful Resources:** For help with legal terminology, there are a number of free online law dictionaries, including the one on law.com’s website: [http://dictionary.law.com](http://dictionary.law.com). The following are good sources for legal research:  

**No Legal Advice:** Please do not ask me for legal advice. That’s not my job and I really can’t help you with whatever problem you may be having with your roommate, landlord, significant other, employer, tech start up, IPO or the police. But don’t despair—the University Office of Student Legal Services may be able to help. [http://deanofstudents.utexas.edu/lss/](http://deanofstudents.utexas.edu/lss/)

**Questions/Concerns:** If you have questions or concerns about the class or anything I am doing or not doing, please come see me after class or during office hours. I can’t address issues I’m not aware of (my mind-reading powers are seriously under-developed).

**Revisions to Syllabus:** This course syllabus is subject to change at the discretion of the instructor. Students will be given reasonable notice of any changes.

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**Important Notifications**

**Students with Disabilities**  
Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, [http://www.utexas.edu/diversity/ddce/ ssd/](http://www.utexas.edu/diversity/ddce/ ssd/).

**Religious Holy Days**  
By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an
opportunity to complete the missed work within a reasonable time after the absence.

**Policy on Scholastic Dishonesty**
The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at [http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx](http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx). By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. 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, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at [http://deanofstudents.utexas.edu/sjs/](http://deanofstudents.utexas.edu/sjs/) to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

**Campus Safety**
Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, [http://www.utexas.edu/safety](http://www.utexas.edu/safety):

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: [http://www.utexas.edu/emergency](http://www.utexas.edu/emergency).