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Legal, Ethical, and Social Environment
 Fall 2002

BSAD 8010-001 # 00577	Monday	6:00 - 8:40 PM	RH 218
BSAD 8010-002 # 00578	Tuesday	6:00 - 8:40 PM	RH 218

COURSE DESCRIPTION:

3 credit hours. "Focus upon law and ethics. Business law, legal processes, and regulations will be the subject matter focus. Business ethics will be a recurring focus of analysis. Analysis of the social environment will include public policy. Both subject matter and analysis will be integrated to build the student's critical thinking skills. Prereq.: MBA Foundation courses."

GRADED EVENTS:

A course letter grade of "A" is earned with a total course percentage of 90.0%; an "A-" is earned with 87.0%; a "B+" is earned with 83.0%; a "B" is earned with 80.0%; a "C+" is earned with 75.0%; a "C" is earned with 70.0%; a "D" is earned with 60.0%, and an "F" is earned with less than 60.0%. For graduate classes, **the instructor does not use the course grades of "B-", "C-", "D+", or "D-".**

20% QUIZZES

1% per quiz; two quizzes per class on dates with quizzes

20% WALL STREET JOURNAL

1% proof of personal subscription

19% Slides, Talk, and Q&A

40% Business Case Analysis

10% NAICS analysis: *group assignment*

10% NDA analysis: *group assignment*

5% Context page (first draft)

15% Context, Legal, Ethical, and Social pages

20% EXAM

20% Comprehensive Final Essay Exam

between +2% and -2% Extra Credit

TEXTS:

1. Bagley, Constance E. and Dauchy, Craig E. *The Entrepreneur's Guide to Business Law. 2nd Edition.* USA: West Ed. Pub. Co., 2003.
2. Personal subscription to **paper copy** of the *Wall Street Journal*.

¹ Voice mail messages will be retrieved during office hours.

QUIZZES:

Most classes will have two quizzes: Start Quizzes and End Quizzes. In total, quizzes will be worth 20% of the course grade. Each quiz will be worth 1% of the course grade and will be graded as either +1% or +0%. **There are no make-up quizzes.**

All quizzes will cover assigned readings. Start Quizzes will be objective (e.g., true-false). If you read the assigned readings, then the Start Quizzes should be easy. End Quizzes will be short answer. End Quizzes will focus on how the advice would change upon altering facts within the "Putting It Into Practice".

WALL STREET JOURNAL:

The *Wall Street Journal* is a textbook for this class. WSJ projects will be worth 20% of the course grade. On **September 9 - 10**, each student shall submit a one page typed assignment that includes proof of purchase of a personal subscription to the WSJ as evidenced by stapling to the page the WSJ address label addressed to the student. This Proof assignment is worth 1% of the course grade. Each student shall make a presentation based on WSJ articles worth 19% of the course grade. These presentations will have three parts (i.e., Slides, Talk, and Q&A) respectively worth 7%, 6%, and 6%. The date for a student's presentation will be selected on **September 9 - 10**. See *TYPING REQUIREMENTS*.

The WSJ has at least 3 front pages each weekday. Student's presentations will be based on a single week's worth of WSJ articles appearing on an assigned front page (i.e., A-1, B-1, or C-1).² Between September 16 - 17 and December 2 - 3, at each class meeting, after the break, no more than 3 students will make presentations consuming 15 minutes each. Each student shall highlight 4 WSJ articles from the previous week *directly related to the course's assigned readings*. The fourth article must relate to the assigned readings of that week.

Each student presenter shall use two PowerPoint slides. The first slide will include the headlines of three stories of note. The second slide will focus on a fourth story and provide the key issues. The Slides are worth 7% of the course grade with 1% being earned by loading the slides on the **mmtemp drive**³ prior to the start of class. Using the slides as a backdrop the student will give a Talk about the four stories, spending no more than 3 minutes on the first slide and no less than 7 minutes on the second slide. Following the Talk, the student shall preside over a Q&A session of no more than 5 minutes. The Slides, the Talk, and the Q&A each will be graded using the 4.0 scale of A, B, C, D, and F. *The grade of B will outnumber the grade of A and the grade of C.*

² Students who are assigned *A-1* shall not use the "articles" as they appear in *columns 2 or 3* of page A-1. Students who are assigned either B-1 or C-1 also may choose articles from page D-1, E-1, or from special inserts. However, it is the responsibility of the students presenting on that day to assure that no two students use the same article from D-1, E-1, or from special inserts.

³ The slides must be loaded into the subfolder for that class date of the O'Hara folder. Note, your total available time does not increase if you fail to load the slides prior to class. Accordingly, in addition to losing that 1%, your Talk and your Q&A scores are likely to plummet if you fail to load the slides prior to class.

BUSINESS CASE ANALYSIS:

In total, the Business Case Analysis is worth 40% of the course grade. Each part of the Business Case Analysis shall be graded using the 4.0 scale of A, B, C, D, and F. *The grade of A will be the most frequent grade on the NAICS Analysis and the NDA Analysis. On the Context and on the CLE&S the grade of B will outnumber the grade of A and the grade of C.*

MBA students whose initial enrollment is after Spring 2001 must author a Business Case prior to graduation. A detailed description of this task is distributed in BSAD 8060, also in that course a student selects the firm to be analyzed. (*A [out of date?] version of that detailed description is in the Course Materials section of my web site.*) The Business Case must analyze a discrete business decision from, at a minimum, the perspective of each of the MBA core courses.

Two of the three requirements for selecting a firm apply to all LESE students. Post-Spring 2001 students must select a firm that:

- [1] is registered with the SEC;
- [2] is not your employer; and
- [3] no other MBA students is using.

Pre-Spring 2001 students need only satisfy requirements [1] and [2].

The Business Case Analysis assignment in BSAD 8010 has four parts: NAICS Analysis, NDA Analysis, Context, and CLE&S.

Both the NAICS Analysis and the NDA Analysis are group assignments and each is worth 10% of the course grade. The third part (i.e., Context) is a draft of a component of the fourth part (i.e., CLE&S). The third part is a one-page assignment, Context, describing your firm and its business decision: Context is worth 5% of the course grade. The CLE&S is worth 15% of the course grade and includes a revision of Context plus three additional pages addressing the legal, ethical, and social contexts for your firm's business decision.

NAICS Analysis: The North American Industry Classification System⁴ replaced the Standard Industrial Code (SIC) after the U.S.A. joined NAFTA. For the NAICS Analysis the student shall identify the 3, 4, 5, or 6 digit code that best describes the context for the student's firm's business decision. Students shall complete the NAICS Analysis as a **group assignment**. On **September 16 - 17** each shall student inform the instructor of the student's NAICS code using as many digits as appropriate, but more digits are better than fewer.⁵ On **September 23 - 24**, the professor will announce the division of the class into groups based on their NAICS with groups of 2, 3, or 4 students.⁶ The NAICS group shall prepare a one-page description of their NAICS industry. The NAICS Analysis shall have 5 parts and a total of 12 sentences to describe the industry: [a] its 3 largest firms, [b] the 2 most important legal issues, [c] the 2 most important social issues, [d] the 2 most important ethical issues, and [e] general comments (e.g., economic). The NAICS Analysis is due on **October 7 - 8**. The NAICS Analysis is worth 9%

⁴ <http://www.census.gov/epcd/www/naics.html>

⁵ **Note: it is not possible to earn a B in this course if you miss this deadline.**

⁶ It is feasible that some students might select unique NAICS codes. These students will be given the option of completing the two group assignments working alone or joined randomly to small group.

and the copies are worth 1%. See *TYPING REQUIREMENTS*.

NDA Analysis: The NAICS group also shall prepare the NDA Analysis. On **September 16 - 17** each student shall submit to the instructor a copy of a one-page letter from the student to the law firm representing their MBA Business Case firm, explaining their academic project and requesting from the attorneys a copy of the MBA Business Case firm's standard NDA (Non-Disclosure Agreement).⁷ This letter is worth 1% of the course grade and will be graded as either +1% or +0%. On **October 14 - 15** the NAICS group will submit a two-page analysis comparing, contrasting, and evaluating the relative quality of the NDAs used by their firms. To the NAICS group's two-page analysis each group member shall append a one-page summary of their firm's NDA. Also appended to each student's one-page summary shall be either a copy of the NDA or a copy of the letter on letterhead from the attorneys refusing to send the NDA. The NAICS group's two page NDA Analysis is worth 6% of the course grade and the individual student's one-page NDA Summary and copy of NDA is worth 2% of the course grade. See *TYPING REQUIREMENTS*.

Copies of NAICS Analysis and Copies of NDA Analysis: On the due date, each group shall bring extra copies of their one-page NAICS Analysis and extra copies of their two-page NDA Analysis with the appended one-page summaries. Those copies shall be given to each of the other NAICS groups. Such copies will be graded as either +1% or +0%.

Context and CLE&S: The detailed instructions below will confine your analysis. This should help you. Without such focus you will find it quite difficult to accomplish your analysis. Unlike the full Business Case you will author (where you will assume your reader is a generally knowledgeable reader), for these LESE assignments assume your reader is Professor O'Hara. Recall, your task is to prepare the reader to make a decision.⁸ Therefore, write using the past tense for items that occur just prior to the decision that reader must make.

The Context assignment is one-page and is due **October 28 - 29**. The CLE&S assignment is really 4 assignments (i.e., Context, Legal, Ethical, and Social), each of which is individually one-page, each of which is individually graded, and all are due **November 18 - 19**. Context is worth 5% of the course grade and CLE&S is worth 15% of the course grade. On October 28 - 29 you will review and edit the Context assignment of another student as will another student review and edit your Context assignment.

The CLE&S assignment is 4 assignments of one page each. The Legal, the Ethical, and the Social assignments each start at the top of a page and each starts the page with a one-sentence paragraph. The Context page shall be typed single-spaced while the Legal, Ethical, and Social pages shall be typed double-spaced. Each of the 4 pages will use a left justified header identifying the student author, the firm by ticker symbol, the assignment, and the page (e.g., Michael J. O'Hara, CCC, Context, page 1 of 4).

⁷ To speed up the process of obtaining a copy of their firm's NDA, students are encouraged to precede this surface mail contact with a phone call to the firm's attorneys, and be prepared to provide the attorneys with a fax number upon which to receive a copy of the NDA. *You can earn negative points by using O'Hara's fax number.*

⁸ Your graduation requirement includes analysis of a decision that has been made prior to the date of your graduation. However, as of the date of your Context or your CLE&S the decision may or may not have been made.

CONTEXT PAGE The Context assignment provides bibliographic and financial information to place your business decision in context. Starting with the first line of text on the Context page, list on separate lines of text:

- [1] the name of the company you are analyzing, its ticker symbol, and the largest market in which its securities are traded (e.g., Calgon Carbon Corp., CCC, NYSE)
- [2] the name and title of the human decision maker
- [3] two URLs: last 10-K SEC filing and last 8-K SEC filing
- [4] name of your employer and NAICS of your job;
- [5] NAICS of the business decision you are analyzing;
- [6] in four, single-sentence statements (**not questions**) state the
 - [a] decision;
 - [b] legal issue;
 - [c] ethical issue; and
 - [d] social issue.

(NOTE, in turn, the [b], [c], and [d] sentences shall appear as the first paragraph on the next three pages. ALSO NOTE: [b], [c], and [d] are three facets of one decision.)
- [7] in a table with *three year's* of data prior to decision, a very simple balance sheet; revenue, net income, and stock price;
- [8] also in a table, *today*, the number of outstanding equity shares, market price, market capitalization of the firm, and the face value of outstanding bonds;⁹
and lastly
- [9] in a paragraph or two, place the company and its decision in context.

LEGAL PAGE: The first paragraph is the [b] sentence above. Focus on a single cause of action and use its legal name (e.g., breach of contract).

A single cause of action may surface a host of issues: intensely prioritize your treatment. Do not do laundry lists (e.g., contracts have six elements: agreement, consideration, capacity, reality of assent, form, and legal subject matter), instead focus on a component (e.g., capacity) that is critical to the analysis of your decision. Do not use lists of questions: write in the form of declaratory statements.

The ethical and the social issues each must spring directly from the same dimension of the legal issue (e.g., capacity).

ETHICAL PAGE: The first paragraph is the [c] sentence above. Unambiguously identify your preferred criteria for measuring "ethical" behavior (e.g., efficiency as ethics). Unambiguously identify the human decision maker's ethical concern *and* who else is "participating" in making the decision. Perform your ethical analysis from *that* decision maker's point of view. Do not use lists of questions: write in the form of declaratory statements. Focus is especially beneficial for the ethics assignment.

SOCIAL PAGE: The first paragraph is the [d] sentence above. Expand upon, rather than repeat the Legal treatment or repeat Ethical treatment. The social focus is external to the firm. Social focus is not "management". Social focus constrains the scope of management

⁹ If there is no long-term debt, then say in the table "Not in 10-K".

discretion. If a person would be considered a foolish manager if that person attempted to "manage" the issue, then that issue is a candidate for being a social issue. Social focus actively involves persons other than the decision maker. Do not use lists of questions: write in the form of declaratory statements.

ESSAY EXAM:

There is one exam, a comprehensive final essay exam worth 20% of the course grade. The Comprehensive Final Essay Exam is at the Regent's scheduled final exam time of, respectively, **December 16 - 17**. The Essay Exam questions will be based upon a set of facts that will be distributed on December 9 - 10.

The Essay Exam will have 5 questions, 1 each on contracts, torts, property, crime, and ethics. You only may answer 4 of the 5 questions. The night of the exam 2 of the 5 questions will be identified as "must answer" and each student may choose 2 of 3 of the other questions to answer.

Concise and targeted answers will score higher than memory dump answers. Each student must provide a **blue book** and must **write in ink**. The professor will provide neither blue books nor pens. Exam questions will be graded on the 4.0 scale of A, B, C, D, F. *There will be more B grades than there are A grades or C grades.*

EXTRA CREDIT:

Each student may earn as much as 2% of the course grade via a pair of Extra Credit assignments.

From an approved book in the UNO Library, the student may select an approved chapter for review and presentation. The Chapter Review shall be one typed page. The Chapter Review will be graded as either +1% or +0%. Additionally, the student shall make a two-slide PowerPoint presentation of no more than 5 minutes as well as preside over a Q&A session: the total time shall not exceed 10 minutes. The Chapter Presentation will be graded as either +1% or +0%. **Prior to the start of class** when the presentation would be made, the student must load the slides onto the **mmtemp drive¹⁰** and **deliver** the Chapter Review to the professor. *See Typing Requirements.*

On **September 9 - 10** the available dates for making Extra Credit presentations will be allocated. There will be no more than two Extra Credit presentations per available day (i.e., there are fewer slots than enrolled students). Any student who signs up for Extra Credit and does not complete the Extra Credit assignment earns -2%.¹¹ Extra Credit presentations will follow the WSJ presentations.

¹⁰ The slides must be loaded into the subfolder for that class date of the O'Hara folder.

¹¹ The -2% can be avoided by finding another student to take up the vacated Extra Credit time slot.

MAKE-UP WORK:

Make-up work is strongly discouraged. **There are no Make-up quizzes.** There are two **prerequisites** for make-up work.

1. 24 hour **prior notice** of your intended absence,
unless for sufficient reason (e.g., death of an immediate family member);

AND

2. timely, **written verification** by an impartial third party
(e.g., from the mortician, on letterhead).

TYPING REQUIREMENTS:

There are two types of typed assignments: text and PowerPoint.

TEXT: DO NOT USE A COVER SHEET, instead **use a left justified, single line header (e.g., see top of this page)** on each page identifying, from left to right: (1) the student author; (2) the assignment; (3) and the page of page number [e.g., Michael J. O'Hara, CCC, Context, page 1 of 4]. Grammar, punctuation, and spelling do influence your grade. Your papers shall use a #12 font typeface, shall use one-inch margins on all four sides of a page, and shall be typed on 8 1/2" x 11" white paper. Assignments with multiple sheets of paper shall be stapled together. Except for the Context and the CLE&S assignments you may single or double space as you see fit.

POWERPOINT: DO NOT USE A COVER SHEET, instead **use a left justified, single line header (e.g., see top of this page)** on each page identifying, from left to right: (1) the student author; (2) the assignment; (3) and the page of page number [e.g., Michael J. O'Hara, WSJ A-1, Sep. 16, slide 1 of 2]. Grammar, punctuation, and spelling do influence your grade. On your slides shall use a #24 bold font typeface as your normal font and use no smaller than a #18 bold font as your smallest. If a slide is presented in class, then neither digital nor paper copies of the slides need to be submitted to the professor.

EACH FAILURE to comply with the typing requirements (e.g., incorrect header or not using a staple) will cause an AUTOMATIC LOSS OF 5% from your earned assignment grade.

You have been changed a \$5 *per credit hour* technology fee for the ENRON Computer Lab in RH 403 and the campus computing rooms in EAB 009; MBSC 1st Floor, Elmwood Room; DSC 104; and PKI 158 all of which have word processing and PowerPoint software and provide computer support for you. *You also have paid for a UNO Lotus Notes email account.* (See, <http://mail.unomaha.edu> where you use your first and last name as your username and your social security number as your password. UNO sends all official notices to this email account.) *CBA will, upon your timely request, give you a print card for use in the ENRON lab and worth \$5. Black and white copies are less than a nickel a page and color copies are a dollar a page.)*

ACADEMIC DISHONESTY:

Any form of academic dishonesty (e.g., plagiarism) will earn a course grade of "F."

MONDAY - TUESDAY	
<u>DATE</u>	<u>CHAPTERS and EVENTS</u>
Aug 26 - 27	introduction, ethics, frivolous lawsuits
Sep 2 - 3	<i>September 2 is Labor Day: no class</i> B&D Chap. 1 & 2: Taking the Plunge & Leaving Your Employer
Sep 9 - 10	B&D Chap. 3 & 4: Selecting Attorney & Whether to Incorporate select dates for WSJ presentations and Extra Credit presentations
Sep 16 - 17	B&D Chap. 5 & 6: Struct. Own. & Brd. NDA request first WSJ and Extra Credit presentations
Sep 23 - 24	B&D Chap. 8 & 9: Contracts & E-com. form NAICS groups
Sep 30 - Oct 1	B&D Chap. 7 & 13: Raising \$ & Sec. Reg; Venture Capital <i>Leadership Oct 1 @ 5:30 PM in RH 010A</i>
Oct 7 - 8	B&D Chap. 10: Marshaling Human Res. NAICS due
Oct 14 - 15	B&D Chap. 11: Oper. Liab. & Insur. NDA due
<i>Oct 21 - 22</i>	<i>Fall Break: no classes</i>
Oct 28 - 29	student editing Context due
Nov 4 - 5	B&D Chap. 12: Creditors' Rights and Bankruptcy <i>Leadership Nov 6 @ 5:30 PM in RH 010A</i>
Nov 11 - 12	B&D Chap. 14: Intellectual Property and Cyberlaw
Nov 18 - 19	B&D Chap. 15: Going Global CLE&S due
Nov 25 -26	B&D Chap. 16: Buying and Selling a Business <i>Thanksgiving week, UNO closed 27, 28, and 29</i>
Dec 2 - 3	B&D Chap. 17: Going Public last WSJ and Extra Credit presentations
Dec 9 - 10	review whole course student evaluations distribute facts for Essay Exam
Dec 16 - 17	6:00 - 6:30 review for exam 6:30 - 8:40 Comprehensive Essay Final Exam <i>blue book and ink !</i>