Objectives:
The purpose of this course is to introduce the student to a broad range of "non-market" issues encountered by managers and business professionals, and to help the student develop a set of analytical perspectives for making judgments when such issues arise. In economics many of these issues can be described as market failures. To a limited extent, we will illustrate how the legal system is used to redress such failures of the market economy. We will also examine the role of ethical norms and reasoning in resolving issues in managerial life, and in establishing standards of professional responsibility.

More directly, the student in this course will exercise professional judgment through discussion and analysis. Most exercises will require the analysis of one or more cases. In addition, we will study writings in the fields of ethical reasoning, professional responsibility, and the law.

NOTE: YOU MUST ATTEND ALL CLASS SESSIONS TO RECEIVE CREDIT FOR THIS COURSE. THERE WILL BE NO EXCEPTIONS.

Textbook:
All cases and readings for this course are found in:

Professional Responsibility: Markets, Ethics, and Law
Jan. 9  9:00AM-  Introduction - Market Failures and Professional Dilemmas

Read:

“The Price of Lobster Thermidor"
"Pollution Case Highlights Trend to Let Employees Take the Rap"
"Economic theories of Regulation: Normative v Positive"
*****"The Coase Theorem"

Truth and Disclosure

"Bitter Pill" by Ralph T. King, Jr.
"Today’s Analyst Often Wears Two Hats" by Roger Lowenstein
"Is Business Bluffing Ethical?" by Albert Carr
"Ethics and the New Game Theory" by Gary Miller

Jan. 9  1:00 PM-  Gifts, Side Deals, and Payoffs

"Cases: "Buynow Stores" by Bruce Buchanan
"Roger Berg" by Ronald M. Green
Read: "Neutral Omni-Partial Rule Making" by Ronald M. Green

Jan. 10  9:00AM-  Whistle Blowing and Loyalty

Cases: "Aircraft Brake Scandal" by Kermit Vandivier
"He Told. He Suffered. Now He’s a Hero" by Kurt Eichenwald

Managers and Directors: Fiduciary Duties

"Plasma International" by T. W. Zimmer and P. L. Preston
***** Read: "Our Schizophrenic Conception of the Business Corporation" by William T. Allen
"Moral Hazard" by Robert Pindyck and Daniel L. Rubenfeld
Jan. 10  1:00 PM  Social Responsibility

"Toy Maker Faces Dilemma as Water Gun Spurs Violence" by Joseph Pereira
"Credit Card Companies Target New Niche: the Mentally Disabled" by Joseph Cahill
***** "The Social Responsibility of Business is to Increase Its Profits" by Milton Friedman

"The Oil Rig" by Joanne B. Ciulla
"Stretching Federal Labor Law Into the South Pacific" by Seth Faison
"For Cruise Workers, Life is No Love Boat" by Joshua Harris Prager
“Moral Minimums for Multinationals" by Thomas Donaldson

Jan. 11  9:00AM  Control by Law

"Living with the Organizational Sentencing Guidelines" by Jeffrey Kaplan, Linda S. Dakin, Melinda R. Smolin
"When the Company Becomes a Cop" by Linda Himelstein

Product Liability

Cases: "A.H. Robins: Dalkon Shield" by A. R. Gini & Terry Sullivan
"In Breast Implants Scandal, Where was Dow Corning’s Concern for Women?” by Andrew W. Singer
"Will the Lawyers Kill Off Norplant?” by Gina Kolata

Jan. 11  1:00 PM  Insider Trading

"An Accountant’s Small Time Insider Trading"
by Tom L.Beauchamp
"Raymond Dirks and Equity Funding of America" by Roy C. Smith
***** “Insider Trading Law: Legal History and Case Summary
HANDOUT

Worker’s Dignity

"Foreign Assignment" by Thomas Dunfee and Diana Robertson
*****"EEOC Guidelines on Discrimination Because of Sex"
"When Fear of Firing Deters Hiring" by Jeffry Seglin
Right to Privacy

"Open Secrets" by Ellen Schlutz
"Monday 9:01 A.M." by Ronald Smithies
HIPAA

Exam

Grading:
The weights for the student’s overall grade are:

Exam 50%;
Paper 50%.


The purpose of this paper is to allow the student to apply principles of professional responsibility to an actual, specific business situation. The student will describe a situation with which he or she has first-hand familiarity. The student may have been a major or minor actor in the situation, or may have merely witnessed the situation. In any event, the requirements are that the situation raise ethical or legal issues and that the student was there. It would not be appropriate to analyze a situation if you were not in a position to observe it directly. The paper should have the following major sections:

I. Situation
Provide a description of the situation or practice; this description must be detailed and rich enough to allow the reader to get a clear sense of the issues and circumstances (2-4 pages).

II. Analysis
Apply some method or methods of ethical (or perhaps legal) reasoning to the situation and examine the results of this application. Are the results logical, beneficial, counter intuitive, or in any other way problematic? Here the student should apply, wherever appropriate, concepts from the course and its readings. Also, the student should cite the relevant law (2-4 pages).

III. Resolution & Conclusion
Describe how the situation was actually resolved. Discuss this resolution in light of the ethical analysis from section II (2-4 pages).

This paper should be approximately 8-10 typed, double-spaced pages.