**BM4405 (Ethics & Business Law)**

**Short Semester**

**Lesson Plan**

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| Week | Lesson Topics | Assignments/Tutorials |
| 1 | 1. Introduction to Ethics: Ethics defined, ethics & law, ethics & religions, the need for ethics, ethics in business, ethical principles, economics & law. | Case study: Beech Nut’s Bogus Apple Juice.  **1st Assignment** |
| 2. Ethics & Management:Ethics in management, organisation, individual decision-making and organisational decision making, Corporate Governance (CG) : definition, importance of CG as an ethical mechanism & control | Case study: Misplaced Optimism & Failed Governance |
| 2 | 3. Corporate Social Responsibility: Stakeholders theory, concept and nature of CSR, models of CSR, debates of CSR. | Case study: The Conquest of a Giant Retailer**Submission: 1st Assignment (25%)** |
| 4. Moral development & Moral decision-making in individuals, corporations and cultures.  | Case study: Authentic Biscuits from Australia**2nd assignment** |
| 3 | 5. Ethical theories and principles: utilitarianism, Kant’s Ethics of Duty Theory, Aristotle’s Virtue Ethics Theory, Gilligan’s Ethics of Care Theory, Theories of Rights and Justice and Rawls’s Egalitarian/Justice Theory | Case study: Reality TV: Temptation Island Controversy |
| 6. Culture, ethics & leadership; institutionalisation of ethics within corporation | Case study: Arakian Ocean Tragedy**Submission: 2nd assignment (25%)** |
| 4 | 7. Introduction to law, Rule of Law, State and Constitution & Classification of law | 4 issues to examine |
| 8. Sources of law: written, unwritten & Islamic lawJudicial precedentsThe Judicial System | Case Study: Judicial Precedent in the making of the Common Law **3rd Assignment** |
| 5 | 9. The law of contract 1: Origin, elements, privity, and types | **7 review questions****Submission of 3rd assignment (JP)(25%)** |
| 10. The law of contract 2: Restraint of trade & legal proceedings, discharge of contract and remedies. | 4 review questions |
| 6 | 11. Employment law: Employment Act 1955 and Industrial Relations Act 1967, characteristics, definition employer and employee, Employment of children & young persons. | 3 questions to examine4th Assignment: Employment case/Contract |
| 12. Benefits, termination, collective rights of employees, industrial court/labour court. | 2 issues to discern |
| 7 | 13. Revision 1 1 Ethics & organisations; Ethics & society; Corporate Governance; Corporate Social Responsibility |  |
| 14. Revision 2Law of Contract and Employment Law |  |

 **Continuous Assessment and Learning**

 Assignments:

 Individual Assignment 1 25%

 Individual Assignment 2 25%

 Individual Assignment 3 25%

 Individual Assignment 4 25%

 Total 100%

 Coursework marks 70%

 Final exam 30%

 Total 100%

**References**

1. Khalidah Khalid Ali, Zulkufly Ramly & Lau Teck Chai (2018). *Business Ethics*, 2nd

 Edition, Oxford University Press, Kuala Lumpur.

2. William H. Shaw, Vincent Barry, Theodora Issa, Bevan Catley & Donata Muntean (2017).

 *Moral Issues in Business*, 3rd Asia Pacific Edition, CENGAGE, Australia.

3. Vincent Ryan Ruggiero (2015). *Thinking Critically About Ethical Issues*, 9th Edition,

 McGraw-Hill, Education, New York.

4. John R. Boatright (2012). *Ethics and the Conduct of Business*, 7th Edition, Pearson, New

 Jersey (pp.18-19).

5. Lee Mei Pheng & Ivan Jeron Detta (2018). *Business Law,* 3rd edition, Oxford Fajar, Shah

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BM4405 Assignment 1 **(25%)**

Case study: **Beech-Nut’s Bogus Apple Juice**

When Lars Hoyvald joined Beech-Nut in 1981, the company was in financial trouble. In the competitive baby food industry, the company was a distant second behind Gerber, with 15 % of the market. After faltering under a succession of owners, Beech-Nut was bought in 1979 by Nestle, the Swiss food giant, which hoped to restore the lustre of the brand name. Although he was new to Beech-Nut, Hoyvald had wide experience in the food industry, and his aim, as stated on his resume, was “aggressively marketing top quality products.”

In June 1982, Hoyvald was faced with strong evidence that Beech-Nut apple juice for babies was made from concentrate that included no apples. Since 1977, the company had been purchasing low-cost apple concentrate from a Bronx-based supplier, Universal Juice Company. The price alone should have raised questions, and John Lavery, the vice president in charge of operations, brushed aside tests that showed the presence of corn syrup. Two employees who investigated Universal’s ‘blending facility’ found merely a warehouse. Their report was also dismissed by Lavery. A turning point occurred when a private investigator working for the Processed Apple Institute discovered that the Universal plant was producing only sugared water. After following a truck to the Beech-Nut facility, the investigator informed Lavery and other executives of his findings and invited Beech-Nut to join a suit against Universal.

Although some executives urged Hoyvald to switch suppliers and recall all apple juice on the market, the president was hesitant. Even if the juice was bogus, there was no evidence that it was harmful. It tasted like apple juice, and it surely provided some nutrition. Besides, he had promised his Nestle superior that he would return a profit of $7 million for the year. Switching suppliers would mean paying about $750,000 more each year for juice and admitting that the company had sold an adulterated product. A recall would cost about $5.5 million. Asked later why he had not acted more decisively, Hoyvald said, “I could have called up Switzerland and told them I had just closed the company down. Because that is what would have been the result of it.”

Fearful that state and federal investigators might seize stocks of Beech-Nut apple juice, Hoyvald launched an aggressive foreign sales campaign. On September 1, the company unloaded thousands of cases on its distributors in Puerto Rico. Another 23,000 cases were shipped to the Dominican Republic to be sold at half price. By the time that state and federal authorities had forced a recall, the plan was largely complete. In November, Hoyvald reported to his superior at Nestle, “the recall has now been completed, and due to our many delays, we were only faced with having to destroy approximately 20,000 cases.” Beech-Nut continued to sell bogus apple juice until March 1983.

Questions

1. What is ethics?
2. Highlight the ethical issues in this case.
3. Distinguish ethics and law in the above case.

**Instructions**

1. This is an individual assignment.
2. This individual assignment 1 must be submitted in the 3rd week.
3. Any delay in the submission of this assignment 20% of the marks will be deducted for each day of delay.
4. Ensure there is a cover page with:
5. the name of the student and student identification number.
6. The type of assignment submitted.
7. The title of the case study analysed.
8. date of submission

**Assignment 2 (25%)**

**Authentic Biscuits from Australia…… to Sell or Dispose?**

Helena is an MBA graduate from a Malaysian institution of higher learning. She had majored in marketing and is interested in retailing. On day, whole browsing Jobstreet.com, to her excitement, she received a job offer from a large and prestigious department chain \store in Kuala Lumpur. With open hands, Helena accepted the job offer. She is all set to face the challenges at the new workplace.

At point of entry, she was positioned as a trainee executive, whereby she will be rotated on the job to all the departments to gain exposure and appreciate the nature of the business. Helena’s first assignment is to assist Madam Marina, a qualified buyer in the Food and Beverages Department. Buyers play a critical role in the management of the department store. They select the goods to be offered, negotiate purchase terms and conditions, set retail prices, arrange displays, organise promotions and are generally responsible for the operations of the departments within the store.

Helena was extremely happy on the first month of her employment. Madam Marina respected her as an employee. On several occasions she received praises for good discipline. Her views and opinions have been well considered and workload is just right.

However, an event occurred that threatened to destroy all her contentment. According to Madam Marina, the department store has received a shipment of imported halal biscuits from Australia with an authentic chocolate cream filling. They are well packed in attractive foil covered boxes, but somehow some of them had become infested with moulds and insects. Not all the boxes were infected, since only a few customers have returned the item after purchase. But the point is some people did return their purchased packs. Obviously, said Madam Marina, “We cannot continue to sell them at our department store to uphold our good image. We also do not have the time to inspect every package and keep the ones that are not infested.” Madam Marina went on to discuss the cost implications. She uttered, “What about the losses that we have to incur? We have already committed a capital cost of almost RM50,000. The biscuit manufacturer will not refund us since it is doubtful whether the infestation had occurred during shipment, or even during storage at our own warehouse.”

After a serious discussion, Madam Marina asked Helena to get rid of the biscuits. Helena thought that Madam Marina asked her to throw them away at the rubbish bins provided by the KL municipality (DBKL) near the store, but Madam Marina further clarified to Helena, “Absolutely not! Call Mr Maniam. He operates a mini market at the outskirts of the Klang Valley where the majority of the residents are in the low income groups. We have got to get our money back!”

Helena protested openly, but Madam Marina further assured, “Look, there is nothing wrong with our actions. The residents of these areas have never had high quality foodstuff of this nature. These imported biscuits will be sold very cheaply, and for most people who buy them, it will be an opportunity to try something really good. Only a few people will get the infested boxes. They will not be very happy, but at such remote areas, they will have expected this especially when they see a low price on an expensive product. They make the choice. We don’t!” Helena is in a dilemma…should she follow the instructions of her boss?

Questions:

1. Analyse this case from economic, legal and moral perspectives. Justify whether Madam Marina’s strategic views are reasonable or otherwise.
2. Assess whether Madam Marina practises ethical management and management of ethics. Provide your reasoning.

If you were Helena, what would you do in this situation? Will you arrange for the delivery of the biscuits to Mr Maniam? Justify your actions

**Assignment 3 (Sources of Law) (25%)**

**Doctrine of Judicial Precedents**

The decision of a judge over a case can become binding on other judges having cases with similar attributes, circumstances and situations. For example a decision of the Federal Court over a case can bind the lower courts and a decision a decision of a High Court can bind the Sessions Courts or the Magistrates Courts.

**Answer the following questions:**

Critically evaluate the advantages and disadvantages of judicial precedents in the legal system.

1. In Malaysia, there two High Courts i.e. the High of Malaya and the High Court of Sarawak and Sabah. How is the rule of judicial presidents applied in these High Courts? Justify your answer.
2. How would the judges in the lower courts overcome the doctrine of binding judicial precedents?
3. If the law in the country could be developed through the doctrine of judicial precedents, why is there a need for statutory law?

**Instructions**

The report of the assignment, must be stapled at the top left corner.

1. State your name and student ID number, the name of the lecturer and the date of your submission.
2. Submission of the assignment report should be done in the 9th week.
3. Failure to follow the above instructions may result in your work not being marked.
4. Any detection of plagiarism will lead to an immediate “fail grade”.

**Assignment 4 (25%)**

**Booking a Ballroom at a Hotel in town**

A new hotel in town has advertised in the local newspapers that h\its ballroom is going for a cheap rate for the month of June. Mary wants to make a booking of the ballroom for a party for her daughter’s birthday on the 26th of June.

The hotel manager does not want to accept her booking. However, the hotel manager is prepared to give an alternative room to Mary at a lower rate.

Mary refuses to accept the alternative room and is threatening to sue the hotel for not abiding by the advertisement in the local newspapers.

Critically evaluate whether there is a contract between the hotel and Mary. You must justify your answers with the evidence from the law of contract with respect to the following issues:

1. What is the legal implicaton of an advertisement in a local newspapers made by the hotel?
2. Is there a contract being established between Mary and the hotel management after Mary made a booking for the room at the hotel?
3. Can the hotel manager refuse to accept Mary’s booking?
4. What is the purpose of the Hotel Manager suggesting an alternative room to Mary?
5. Is there a contract being established between Mary and the hotel manager in their dealings?
6. Ensure all your answers are in line with the law of contract.

Instructions

1. Submission: 12th week
2. 20% of the marks will be deducted for each day of delay in submission of the assignment.