

Chapter 1
Basics of the Law

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

Ethical Considerations

- Legal Standard
- Ethical Standard
- Appropriate Managerial Standard

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

What Is Law?

- Law consists of rules that regulate the conduct of individuals, businesses, and other organizations within society. It is intended to protect persons and their property from unwanted interference from others

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

Sources of American Law

- Constitutions
- Treaties
- Statutes and ordinances
- Executive powers
- Administrative rules and regulations
- Case law

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

Common Law Writs

- *Habeas corpus*
- *Mandamus*
- *Quo warranto*
- Replevin
- *Certioari*

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Stare Decisis

- Based on the common law tradition, past court decisions become precedent for deciding future cases
- Precedent is a rule of law established in a court decision. Lower courts must follow the precedent established by higher courts
- *Stare decisis*—Latin for “to stand by the decision”—means adherence to precedent

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Plessy v. Ferguson

Landmark Case

- Upheld individual states' rights to require separate but equal facilities based solely on race
- Legitimized an era of racial segregation in which the facilities were always separate, but never equal

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Brown v. Board of Education

Landmark Case

- Held that separate but equal public school facilities were inherently unconstitutional when the segregation was based on race
- Laid a foundation for desegregation of all public facilities

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Cases of First Impression

- Use similar precedent
- Consider social expectations & develop a policy
- Balance the interests of the parties to the lawsuit

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Classifications of the Law

- Substantive vs. Procedural
- Public Law vs. Private Law
- Civil law vs. Criminal law

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Courts of Law and Courts of Equity

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| <ul style="list-style-type: none">• Courts of Law• Grant judgments• A jury is allowed• Time limitations set by statutes of limitation• Awards monetary damages | <ul style="list-style-type: none">• Courts of equity• Grant remedies• A judge makes the decision• Person is required to sue within a reasonable time• Grant relief other than monetary damages, e.g., specific performance |
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Locating the Law

- Court decisions
 - Official reporters
 - National reporter system
 - Case citations
- Statutes
- Administrative agency regulations

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

Case Brief Elements

- Case name and citation
- Facts
- Issue
- Holding or decision
- Reason

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

International Considerations

- Treaties
- Conventions
- Agreements

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

Manager's Role in Preventive Law

- Clear contracts
- Plain English
- Documentation procedures

Source: Bohlman/Dundas, The Legal, Ethical & International Environment of Business.

Summary

- What is Law?
- Sources of American Law
- Common Law Writs
- Stare Decisis
- Plessy v. Ferguson
- Brown v. Board of Education
- Classifications of the Law
- Courts of Law and Courts of Equity
- Locating the Law
- Case Brief Elements
- International Considerations
- Manager's role

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