

**PROGRAM CONCENTRATION: Business & Computer Science**  
**CAREER PATHWAY: Small Business Development**  
**COURSE TITLE: Legal Environment of Business**

Legal Environment of Business is the second course in the Small Business Development Career Pathway. This course concentrates on the legal aspects of business ownership and management. Legal issues will include contracts, sales, consumer law, agency and employment law, personal and real property, risk management, environmental law, and government effects on business. The impact of ethics on business operations will be studied. International business principles are infused in the standards for Legal Environment of Business. Mastery of these standards through project-based learning and leadership development activities of Future Business Leaders of America (FBLA) will help prepare students with a competitive edge for the global marketplace.

## **Ethics**

**BCS-LEB-1: The student summarizes the ethical responsibilities of business owners.**

- a. Describes organizational policies and procedures for ethics and privacy.
- b. Illustrates strategies that address and improve ethical behavior in a small business.
- c. Assesses ethical considerations affecting consumers such as false advertising and shoplifting.
- d. Examines the role of social responsibility in business.

**BCS-LEB-2: The student summarizes the effects of diverse cultures and customs on business.**

- a. Describes the effect of culture on ethical practices.
- b. Compares and contrasts differences in legal systems among the states and countries.
- c. Compares and contrasts differences in ethics legislation at state, national, and international levels.
- d. Assesses ethical considerations resulting from increased international competition (i.e., dumping goods on the market at below cost prices and trading with countries where unfair labor practices, bribery and human rights violations exist).

**BCS-LEB-3: The student determines ethical issues directly related to government regulations.**

- a. Lists examples of how unethical behavior leads to government regulations.
- b. Assesses ethical considerations resulting from increasing business positioning with politicians such as lobbying, gift-giving, and awarding honoraria to political leaders for political gain.
- c. Classifies unethical and illegal conduct in business and their related consequences.
- d. Compares copyright laws and how they relate to business practices.

**Academic standard:**

*SSCG6 The student will demonstrate knowledge of civil liberties and civil rights.*

## **Business Law**

### **BCS-LEB-4: The student identifies rights and responsibilities of contract negotiations.**

- a. Differentiates among the ways that a contract can be disrupted (i.e., fraud, non-disclosure, misrepresentation, mistake, duress, and undue influence).
- b. Explains a minor's right to void a contract and identify people who lack contractual capacity.

### **BCS-LEB-5: The student analyzes the importance of sales regulations.**

- a. Describes the Uniform Commercial Code (UCC) and explains why the UCC has been adopted by the states.
- b. Applies the UCC to appropriate areas of business operations.
- c. Identifies various types of warranties and describes how each of the warranties may be excluded or modified.
- d. Lists and explains the remedies of the seller and buyer when a sales contract has been breached.
- e. Defines the statute of limitations and describes when the time period of this statute usually begins and ends in a sales transaction.

**Academic standard:**

*SSEIN1 The student will explain why individuals, businesses and governments trade goods and services.*

### **BCS-LEB-6: The student identifies consumer protection legislation and its effects on business.**

- a. Illustrates how legislation (i.e., Fair Credit Reporting Act, Fair Credit Billing Act, Equal Credit Opportunity Act, Fair Credit Collection Practices Act, and Consumer Credit Protection Act) regulates and affects consumer credit.
- b. Outlines major aspects of consumer protection in such legislation as the Federal Trade Commission Act, the Consumer Product Safety Act, and the Consumer Leasing Act.
- c. Discusses and analyzes the impact of international law on consumer protection.

**Academic standards:**

*SSEF5 The student will describe the roles of government in a market economy.*

*SSEPF4 The student will evaluate the costs and benefits of using credit.*

**BCS-LEB-7: The student analyzes the role and importance of agency law and employment law as they relate to the conduct of business in the national and international marketplaces.**

- a. Researches and discusses federal law on fair hiring practices.
- b. Explains the doctrine of employment-at-will and describes the wrongful discharge exceptions to employment-at-will.
- c. Assesses how legislation (i.e., unemployment insurance legislation, workers' compensation legislation, and social security legislation) guarantees worker benefits.
- d. Describes the collective bargaining process.
- e. Assesses how legislation (i.e., the National Labor Relations Act, the Taft-Hartley Act, and the Landrum-Griffin Act) regulates and affects union activities.

***Academic standard:***

*ELA10W3 The student uses research and technology to support writing.*

**BCS-LEB-8: The student explains the legal rules that apply to personal property and real property.**

- a. Defines real property, personal property, and fixtures and explains why property distinctions are important.
- b. Summarizes different methods by which property is acquired and identifies the forms of co-ownership of personal and real property.
- c. Defines intellectual property and lists types of intellectual property.
- d. Identifies a common carrier's liability for loss or damage to goods.
- e. Explains the effect of a sale-on-consignment and a sale-on-approval.
- f. Distinguishes among liens, licenses, and easements and explains the differences.
- g. Summarizes the major estates in land and describes the major features of each.
- h. Outlines the method of transferring title (deeding) to real property.
- i. Describes the kinds of rental relationships that landlords and tenants may create.
- j. Describes the function of warranty and quit claim deeds.
- k. Determine methods of transferring real property other than by sale.
- l. Distinguishes between a lease and a deed.
- m. Explains the rights and obligations of landlords and tenants regarding termination of a lease.
- n. Identifies federal and state, territory, and province statutes that affect the landlord-tenant relationship.

**BCS-LEB-9: The student analyzes the function of commercial paper.**

- a. Explains the importance and function of commercial paper.
- b. Describes the concept of negotiability and distinguishes from assignability.

- c. Identifies and explains the essential elements of a negotiable instrument.
- d. Describes the different types of negotiable instruments and different types of endorsements.
- e. Explains the contractual relationship between a bank and its customers.
- f. Describes the legal effects of forgeries and material alterations.

**BCS-LEB-10: The student analyzes the function of bankruptcy law.**

- a. Describes the various aspects of bankruptcy (i.e., Chapter 7, Chapter 11, and Chapter 13).
- b. Compares the differences between voluntary bankruptcy and involuntary bankruptcy.
- c. Identifies debts that are not extinguished by bankruptcy.
- d. Identifies alternatives to bankruptcy.
- e. Analyzes the impact of international law on bankruptcy.

**BCS-LEB-11: The student explains how advances in computer technology impact business law.**

- a. Identifies the circumstances that constitute the violation of a computer program copyright.
- b. Determines when computer-related contracts are service contracts and when they are sale-of-goods contracts.
- c. Analyzes how technological advances have created business practices that may be in conflict with the laws governing invasion of privacy.
- d. Explains how legislation and regulations can be used to prevent the use of computers to invade privacy.
- e. Describes federal, state, territory, and province statutes designed to combat computer crime.
- f. Explains the impact of existing law on e-commerce.
- g. Analyzes the impact of the laws of different countries on computer law.

**BCS-LEB-12: The student explains laws and regulations that apply to the environment and energy.**

- a. Defines environmental law.
- b. Explains the need for energy regulation and conservation.
- c. Describes the various federal statutes (i.e., the National Environmental Policy Act, the Clean Air Act, the Clean Water Act, and the Toxic Substance Control Act) that impact the environment.

**BCS-LEB-13: The student analyzes the role of government in managing a business.**

- a. Identifies and assesses factors affecting a business's profits. (i.e. sales tax, corporate taxes, income taxes, self-employment taxes from the federal, state and local levels.)

- b. Explains consumer protection legislation (i.e., Fair Credit Reporting Act, Fair Credit Billing Act, Equal Credit Opportunity Act, Fair Credit Collection Practices Act, and Consumer Credit Protection Act).

***Academic standards:***

*SSEF5 The student will describe the roles of government in a market economy.*

*SSCG6 The student will demonstrate knowledge of civil liberties and civil rights.*

## **Risk Management**

### **BCS-LEB-14: The student analyzes the purpose of business insurance.**

- a. Determines different types of insurance coverage needed for business.
- b. Assesses the effectiveness of insurance products in relation to cost.

### **BCS-LEB-15: The student analyzes the risk involved in product liability.**

- a. Investigates product liability and punitive damages cases in the business environment.
- b. Determines business insurance needs and ways to limit losses stemming from product liability.
- c. Evaluates the effect of lawsuits involving product liability and punitive damages.

### **BCS-LEB-16: The student analyzes automobile insurance.**

- a. Evaluates different types of automobile insurance coverage, including riders and endorsements.
- b. Determines the effect of various factors on insurance rates.
- c. Examines ways to reduce the cost of insurance.
- d. Identifies reasons for policy cancellation.

***Academic standards:***

*MM3P1. Students will solve problems (using appropriate technology).*

*MM3P4. Students will make connections among mathematical ideas and to other disciplines.*

### **BCS-LEB-17: The student analyzes business property insurance.**

- a. Describes coverage common to most policies and explains how the amount needed is determined.
- b. Describes special coverage available.
- c. Explains variances in rates and determines how to obtain the best rates.
- d. Compares the difference between replacement and value coverage.
- e. Examines types of business property coverage.
- f. Explains how to inventory and document all business property and how to use riders and endorsements to cover specific needs.

- g. Assesses the need for umbrella and excess liability coverage.
- h. Identifies reasons for policy cancellation.

**BCS-LEB-18: The student analyzes health/medical and life insurance.**

- a. Identifies basic types of coverage offered by health and life insurance companies.
- b. Defines the responsibility of insured for co-pay, deductible, and non-covered medical expenses.
- c. Determines variables to consider when naming beneficiaries.
- d. Determines insurability and identifies reasons for policy cancellation.
- e. Explains variances in rates and determines how to obtain the best rates.
- f. Compares and contrasts the services and the cost of employee health/medical and life insurance plans available for businesses.

***Academic standard:***

*MM3P4. Students will make connections among mathematical ideas and to other disciplines.*

**BCS-LEB-19: The student analyzes unemployment insurance.**

- a. Defines unemployment compensation insurance.
- b. Explains how state and federal legislation affect unemployment compensation.
- c. Explains the financial obligation of the employer as it pertains to unemployment compensation insurance.

**BCS-LEB-20: The student analyzes disability insurance.**

- a. Explains disability coverage.
- b. Describes disabling conditions that qualify for benefits.
- c. Explains variances in rates and determines how to obtain the best rates.
- d. Explains the role of workers compensation insurance and its benefits to policyholders.
- e. Evaluates the role of Social Security in providing disability benefits.

**BCS-LEB-21: The student analyzes insurance ethics and insurance fraud.**

- a. Examines state insurance laws and describes ethical issues facing the insurance industry.
- b. Lists different types of insurance fraud and explains how fraud affects policyholders.

***Academic standards:***

*SSEPF5 The student will describe how insurance and other risk-management strategies protect against financial loss.*

*ELA11RL5 The student understands and acquires new vocabulary and uses it correctly in reading and writing.*

*ELA11RC3 The student acquires new vocabulary in each content area and uses it correctly.*

*ELA11RC4 The student establishes a context for information acquired by reading across subject areas.*

*ELA11W3 The student uses research and technology to support writing*

*ELA11C1 The student demonstrates understanding and control of the rules of the English language, realizing that usage involves the appropriate application of conventions and grammar in both written and spoken formats.*

*ELA11LSV1 The student participates in student-to-teacher, student-to-student, and group verbal interactions.*

*ELA11LSV2 The student formulates reasoned judgments about written and oral communication in various media genres. The student delivers focused, coherent, and polished presentations that convey a clear and distinct perspective, demonstrate solid reasoning, and combine traditional rhetorical strategies of narration, exposition, persuasion, and description.*

### **CTAE Foundation Skills**

The Foundation Skills for Career, Technical and Agricultural Education (CTAE) are critical competencies that students pursuing any career pathway should exhibit to be successful. As core standards for all career pathways in all program concentrations, these skills link career, technical and agricultural education to the state's academic performance standards.

The CTAE Foundation Skills are aligned to the foundation of the U. S. Department of Education's 16 Career Clusters. Endorsed by the National Career Technical Education Foundation (NCTEF) and the National Association of State Directors of Career Technical Education Consortium (NASDCTEc), the foundation skills were developed from an analysis of all pathways in the sixteen occupational areas. These standards were identified and validated by a national advisory group of employers, secondary and postsecondary educators, labor associations, and other stakeholders. The Knowledge and Skills provide learners a broad foundation for managing lifelong learning and career transitions in a rapidly changing economy.

**CTAE-FS-1 Technical Skills:** Learners achieve technical content skills necessary to pursue the full range of careers for all pathways in the program concentration.

**CTAE-FS-2 Academic Foundations:** Learners achieve state academic standards at or above grade level.

**CTAE-FS-3 Communications:** Learners use various communication skills in expressing and interpreting information.

**CTAE-FS-4 Problem Solving and Critical Thinking:** Learners define and solve problems, and use problem-solving and improvement methods and tools.

**CTAE-FS-5 Information Technology Applications:** Learners use multiple information technology devices to access, organize, process, transmit, and communicate information.

**CTAE-FS-6 Systems:** Learners understand a variety of organizational structures and functions.

**CTAE-FS-7 Safety, Health and Environment:** Learners employ safety, health and environmental management systems in corporations and comprehend their importance to organizational performance and regulatory compliance.

**CTAE-FS-8 Leadership and Teamwork:** Learners apply leadership and teamwork skills in collaborating with others to accomplish organizational goals and objectives.

**CTAE-FS-9 Ethics and Legal Responsibilities:** Learners commit to work ethics, behavior, and legal responsibilities in the workplace.

**CTAE-FS-10 Career Development:** Learners plan and manage academic-career plans and employment relations.

**CTAE-FS-11 Entrepreneurship:** Learners demonstrate understanding of concepts, processes, and behaviors associated with successful entrepreneurial performance.