



The Legal Environment *of* Business

13TH EDITION



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Meiners | Ringleb | Edwards

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thirteenth edition**

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*Dedicated to Bruce and Don, fine scholars and colleagues,
who care deeply about their students.*

Roger Meiners

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Preface

Knowledge of the legal and regulatory environment of business provides practical background for students in many careers. There are legal, social, political, and ethical issues in every profession. Some situations require an understanding of the principles of law to help resolve an issue or know when legal counsel is needed.

This textbook presents the legal environment as relevant to professionals who are not lawyers. Only a few students who take this course will become lawyers, although some students will take additional classes that cover specific legal areas. This course provides the opportunity for people with various interests to learn key points of the law from the standpoint of a working professional.

Over the years, we have received excellent feedback from professors and students who have used the 12 previous editions of this book and have pointed out shortcomings and strong points and given good advice for improvements. We have taken these comments into account in preparing this edition to make the book even more helpful and practical as we study the complex legal environment that business professionals face.

Our reviewers agree that this text focuses on practical aspects of the law. As we constantly update the text, we try to keep to a minimum the legal minutia, such as uncommon exceptions or rules peculiar to only a few states. We focus on primary rules and issues that arise most often. We use business situations and examples to highlight legal principles in practice. In selecting cases that appear in the text, the focus is on practical situations in business that students can best relate to and are realistic in a business career. The holdings are straightforward applications of the law to the facts. However, some major cases are included so students can get a sense of how courts announce major rules and the evolution of law can be discussed.

Essential Organization

In the legal environment of business course, there is the problem of many possible topics to cover but not enough time. There is agreement that the key elements of the legal system must be covered. This is done in Part 1 of the book, Elements of Law and the Judicial Process. Part 2, Elements of Traditional Business Law, focuses on the major areas of the common law that apply to business and some statutory law oriented at business functions. Part 3, The Employment Relationship, addresses a part of the business environment that applies to everyone, the ever-growing area of employment law, ranging from traditional agency to discrimination and social media issues. Part 4, The Regulatory Environment of Business, covers the major regulatory laws that managers of a variety of firms may face and finishes with key points of international business law.

New to This Edition

MindTap

*MindTap*TM is a fully online, highly personalized learning experience combining readings, multimedia, activities, and assessments into a singular Learning Path. Instructors can personalize the Learning Path by customizing Cengage Learning resources and adding their own content via apps that integrate into the *MindTap* framework seamlessly with Learning Management Systems.

We have heard that business law instructors want to help students **Prepare** for class, **Engage** with the course concepts to reinforce learning, **Apply** these concepts in real-world scenarios, and use legal reasoning and critical thinking to **Analyze** business law content. Accordingly, our *MindTap* product provides a four-step Learning Path designed to meet these critical needs while also allowing instructors to measure skills and outcomes with ease.

- **Prepare: E-book and Worksheets**—Help students prepare for class with interactive guided reading and chapter review questions that can be completed prior to class so that class time can be spent applying the concepts.
- **Engage: Video Activities**—Engage students using real-world scenarios that bring business law to life and help students make connections with real work situations. Includes comprehension questions for practice and assignable homework that can be graded.
- **Apply: Brief Hypothetical Scenarios**—These short fictional scenarios help students spot the issue and apply the law and concepts that they’ve learned. These are great questions for exam preparation.
- **Analyze: Legal Reasoning**—Promote deeper critical thinking and legal reasoning by using these case problem questions to help improve critical thinking skills.

Every item in the Learning Path is assignable and gradable. This gives instructors the knowledge of class standings and concepts that may be difficult. Additionally, students gain knowledge about where they stand—both individually and compared to the highest performers in class.

To view a demo video and learn more about *MindTap*, please visit www.cengage.com/mindtap.

Case Collection

Now, within *MindTap*, instructors can search **Case Collection**—a library of cases from previous editions of different Cengage textbooks—by relevant criteria and then incorporate those cases in the Learning Path for students.

This exciting repository allows instructors to personalize their course and truly engage students, helping them to reach higher levels of critical thinking.

- Easily search by topic, and then refine the search by subtopic, to find case examples of a specific legal concept.
- Search by court or state to bring a local flavor or interest to the classroom.
- Enjoy over 1,200 cases at your fingertips. All new edition omitted cases will be added every year, allowing the archive to continually grow.

Mix and match cases from all textbooks, whether you are currently using it in class or not. This allows you to provide longer cases with more information from other resources, which is especially helpful if your text didn’t show the court’s decision.

Key Features

Edited Cases

A primary way to learn law is to read real cases that the courts had to resolve. Each major case presented in the text has the background facts and legal proceedings summarized by the authors under the heading **Case Background**. Then the court’s holding, legal reasoning, and explanation of the law as it applies to the facts at hand are presented from the published opinion in the words of the judge in the **Case Decision**. Since most decisions are long, we present only the key portions of the holding. When there is a long deletion of material from a holding, you see asterisks (**). When there is a deletion of a smaller part of the logic in a decision there

are ellipses (. . .). Finally, **Questions for Analysis** are offered for the reader to consider or for class discussion. (Answers are provided in the *Instructor's Resource Guide*.)

International Perspective

These boxed features discuss how issues similar to those being reviewed in the text are handled in other countries. As globalization reaches more businesses, managers must know how to deal with different legal systems and cultures. This feature makes clear that the legal constraints are different in other nations. Managers must be prepared to resolve problems in different ways in different locales in today's complex legal environment.

Issue Spotter

Over 50 Issue Spotter features are scattered throughout the text. Each briefly presents a business situation that requires application of legal elements just covered in the text. These challenges are a way for students to self-test their retention and ability to reason as they apply newly learned principles to practice. They also remind readers that the material learned in this course is practical to everyday issues in business. (Discussion points to these features are provided in the *Instructor's Resource Guide*.)

Lighter Side of the Law

These highlights add a light touch to the topic at hand by discussing an unusual legal situation. While law and business are serious, odd things happen that remind us that trouble can come from unexpected places, that the results of the legal process can be surprising, that scoundrels are among us, and that truth can be stranger than fiction.

Summary

The text of each chapter is summarized in bullet format that provides a quick review of the major points of law and rules covered and serves as a self-test of points that will be covered in examinations.

Terms to Know

After the Summary, there is a list of key terms from the chapter. The reader should know what the terms mean because they are an important part of the vocabulary and substance of the concepts covered in the chapter. Besides being explained in the chapter, each term is also defined in the Glossary in the back of the book.

Discussion Question

Every chapter has a question for general discussion that picks up on major ideas from the chapter. The purpose is to make sure the student understands the concepts of the chapter well enough to be able to discuss a topic that was covered and should be expanded upon.

Case Questions

Most problems are solved out of court, but some end up in court where judges decide the resolution based on legal principles. Real case problems are summarized in each case question. Using the knowledge from the chapter, and perhaps some instinct about how a court is likely to resolve a dispute, try to decide which party to a dispute is likely to prevail and why.

Ethics Question

Each chapter ends with an ethics question that poses a problem related to the legal area covered in the chapter. Remember that ethical issues are different than legal issues, so we go beyond legal reasoning in considering the problem.