

CHAPTER

3

Business Law and Ethics

Part 1: Content Review

Matching

Write the letter of the correct term for each definition on the line provided.

Terms

- | | |
|------------------|--------------------------|
| A. contract | F. ethics |
| B. lease | G. confidentiality |
| C. consideration | H. morals |
| D. capacity | I. philanthropy |
| E. offer | J. social responsibility |

- _____ 1. A proposal to provide a good or service.
- _____ 2. An individual's ideas of what is right and wrong.
- _____ 3. Something of value promised in return for good or service.
- _____ 4. A contract to rent something.
- _____ 5. Rules of behavior based on a group's ideas of what is right and wrong.
- _____ 6. Never sharing specific information about a company or its employees.
- _____ 7. Legally able to enter into a binding agreement.
- _____ 8. Behaving with sensitivity to social, environmental, and economic issues.
- _____ 9. A legally binding agreement between two or more people or businesses.
- _____ 10. Promoting the welfare of others.

Multiple Choice

Place the letter of the correct answer to each question on the line provided.

- _____ 1. Which of the following is *not* a required element of a contract?
- A. Offer
 - B. Breach
 - C. Acceptance
 - D. Consideration
- _____ 2. Which is a contract used when two or more individuals create a business?
- A. Partnership agreement
 - B. Lease
 - C. Employment agreement
 - D. Employment offer
- _____ 3. Which government agency works to prevent unfair competition and deceptive business practices?
- A. Consumer Product Safety Commission
 - B. US Food and Drug Administration
 - C. Federal Trade Commission
 - D. US Department of Labor
- _____ 4. Businesses are required by federal law to give all workers _____.
- A. equal employment and advancement opportunities
 - B. equal pay
 - C. annual pay raises
 - D. collective bargaining
- _____ 5. Environmental laws and regulations apply to _____.
- A. issues only relating to air and water pollution
 - B. only companies with a certain number of employees
 - C. problems related to worker compensation
 - D. every type of business in every industry
- _____ 6. Businesses are expected to demonstrate ethical behavior _____.
- A. only when required by government regulation
 - B. even when government regulations do not apply
 - C. only when required by a contract
 - D. except when it conflicts with corporate culture
- _____ 7. A company's code of conduct is likely to include rules on _____.
- A. hourly pay
 - B. processes for handling outside contractors
 - C. personal use of company Internet access
 - D. signing a company confidentiality agreement
- _____ 8. _____ describes how the owners and employees think, feel, and act as a business.
- A. Social responsibility
 - B. Corporate culture
 - C. Philanthropy
 - D. Integrity

Name _____

- _____ 9. Principles that help define appropriate behavior in a business setting are _____.
A. business ethics
B. business regulations
C. corporate culture
D. morals
- _____ 10. Overstating the features and benefits or products is _____.
A. a breach of confidentiality
B. not subject to governmental regulations
C. false advertising
D. sometimes socially responsible

Completion

In the space provided, write the word(s) that best completes each of the following statements.

- _____ 1. Each person who participates in a contract agreement is called a(n) _____.
_____ 2. Agreeing to the terms of a contract is _____.
_____ 3. Laws that apply to the handling of business debts when a business is no longer profitable are _____ laws.
_____ 4. The number assigned to businesses for tax purposes by the Internal Revenue Service is a(n) _____.
_____ 5. Labor relations law regulates the relationships between employees and their _____.
_____ 6. The basic expectations of fair treatment of consumers are contained in the _____.
_____ 7. A document that dictates how business should be conducted is a(n) _____.
_____ 8. The honesty of a person's actions is called _____.
_____ 9. Work created by company employees on the job that is owned by the company is _____.
_____ 10. The actions taken by a business to promote social good are called _____.

Name _____

Part 2: Concept Review

Open Response

Write your response to each of the following statements or questions in the space provided. Use complete sentences.

1. Explain the importance of a contract in business.

2. Identify and briefly describe three types of business contracts.

3. What is a code of ethics? Explain its purpose in business.

Name _____

4. Which government agency enforces fair employment practices laws? Explain how these regulations apply to businesses.

5. You own a business that manufactures motor scooters. Create a chart listing two socially responsible actions your company can undertake in each of the following categories: environmental protection, employees and the workplace, consumer protection, and philanthropy.

Name _____

Part 3: Math Skills

Whole Numbers, Decimals, and Fractions

Businesses buy and sell goods and services, for which there are prices. Prices in the United States are expressed in dollars and cents and can be whole numbers or decimals. A whole number is any positive number or zero that has no fractional part, such as \$10, \$25, or \$100. A decimal is a kind of fraction with three parts: a whole number, followed by a decimal point, and one or more whole numbers. The numbers to the right of the decimal point indicate the amount of the fraction. The first place to the right of the decimal point is the tenths place; the second place to the right is the hundredths place. For example, a price of \$12.59 would mean 12 dollars and 59 cents. Each cent is worth one hundredth of a dollar. Prices are sometimes reflected as decimals even when there are no cents. For example, \$10 can also be written as \$10.00.

Answer the following questions about prices.

1. Calculate the total amount of the following orders at an office supply store:

Order #1

Pens: \$11.99

Markers: \$12.49

Pencils: \$3.99

Total \$ _____

Order #2

Printer: \$139.00

Laptop: \$240.00

Cables: \$40.00

Total \$ _____

Order #3

Paper towels: \$14.00

Facial tissue: \$11.50

Hand soap: \$11.25

Total \$ _____

Name _____

2. A high school needs the following landscape supplies for its athletic field: fertilizer, seed, top soil, and shovels. The school receives the following price quote from a local home and garden center.

- Fertilizer \$180
- Seed \$170
- Top soil \$300
- Shovels \$75

The home and garden center offers an additional \$25 pre-season discount and a \$35 discount for not-for-profit organizations. How much is the high school's total bill?

Total \$ _____

3. A pair of casual shoes is available at two online retailers: Shoe Mania and Walking Tall. The prices and shipping charges each retailer are as follows. Calculate the total cost for each purchase. Which is less expensive?

Shoe Mania

Price: \$129.99

Shipping None
charge:

Total \$ _____

Walking Tall

Price: \$119.99

Shipping \$9.99
charge:

Total \$ _____

Name _____

4. You need a small electric motor for a science project. The prices and shipping charges from three online retailers are listed. In addition, there are coupons available for discounts. Calculate the total cost for each retailer. Which is the least expensive?

Elite Motor Supply

Price: \$110.00

Shipping charge: None

Coupon: \$5.00

Total \$ _____

Electric.com

Price: \$97.99

Shipping charge: \$9.99

Coupon: None

Total \$ _____

X-Way Devices

Price: \$99.99

Shipping charge: \$11.99

Coupon: \$10

Total \$ _____

5. You place the following food order at the Victory Veggie Deli: two black bean wraps, three organic pickles, bran chips, and two kale shakes. The following are the prices for each:

Bean Wrap \$6.50

Organic Pickles \$4

Bran Chips \$3.75

Kale Shake \$8.75

How much is the total order? Total \$ _____

Name _____

Part 4: Communication Skills

Reading

Businesses must comply with a variety of legal requirements. Much of this information is communicated in documents that often use technical terms and phrases. When reading legal material, it is important to focus on understanding details. Read the following passage, focus on the content, and answer the questions in the space provided.

Americans with Disabilities Act (ADA) Compliance

The Standard Axle Company (the Company) does *not* discriminate against qualified individuals with disabilities. This consists of every phase of the employment relationship, including the following:

- Recruitment, advertising, job applications, procedures
- Hiring, upgrading, promotion, demotion, transfer, termination, rehiring, and reinstatement
- Rates of pay or any other form of compensation and changes in compensation
- Job assignment, job classification, organizational structures, position descriptions, lines of progressions, seniority
- Leaves of absence, sick leaves
- Fringe benefits
- Selection and financial support for training, professional meetings, and seminars
- Company sponsored activities, including social and recreational programs
- Other terms, conditions, or privileges of employment

An individual has a disability when he or she has a permanent physical or mental impairment that substantially limits one or more of the individual's major life activities, has a record of such impairment, or is regarded as having such impairment.

A "major life activity" is defined as an action that deals with the quality and necessity of life. Major life activities include, but are not limited to, actions related to the senses, such as, seeing, hearing, and speaking as well as, those dealing with day-to-day lifestyle activities such as, walking, eating, breathing, human reproduction, and working.

A qualified individual with a disability is anyone who satisfies the requisite skill, experience, education, and job-related requirements of the employment position and who can perform the essential functions of the job, with or without accommodation.

The Company complies with all aspects of the ADA and will provide reasonable accommodation to any individual deemed disabled under these regulations. The Company's goal is to assist disabled individuals in succeeding in their position. This will be done by ensuring they are given the same opportunities and held to the same standards and systems of behavior, and provided equal opportunity, incentive, and reward as any and all other team members. Specific accommodation requests will be reviewed and a determination made for each request on a case-by-case basis.

Reading Questions

1. Who is the author of this passage? Who is the intended audience?

2. What topic is discussed in this passage?

3. What are the conditions under which an individual is considered to have a disability?

4. What is major life activity? What are some examples?

5. What accommodations will the company make when requested by any individual deemed disabled under the ADA?
