How to answer the “Right & Wrong” Chapter-End Questions

Recent corporate scandals demonstrate the need for Business Law courses to include discussion of the ethical dimensions of legal issues discussed. In answering the questions labeled “Right & Wrong” that are assigned in the Course Reading list, consider the following:

- **Who are the “stakeholders” in this issue?** Stakeholders are those whose interests will be affected by the outcome of an issue. Often, unethical business practices result from a narrow-minded approach to an ethical issue: the business person only considers short-term financial goals, for example. Considering all those who could be adversely affected by the decision puts the issue in a proper context. For example, an issue regarding corporate responsibility in developing and marketing a product that the corporation knows to be dangerously defective affects not only consumers who buy the product, but those who may purchase other products manufactured by the corporation: if the corporation decides to market one defective product, why will it not do so for all its products? All potential consumers have a “stake” in the issue.

- **Would you want your opinion/decision to be on the front page of the Los Angeles Times?** Is your opinion/decision one that you would be proud of, or is it one you would rather hide? A business person would have to think of not only his or her reputations, but the reputation of the organization: Would potential consumers be likely to buy products from a corporation willing to ignore potential hazards of a defective product? Taking into account society’s values makes good business sense. Law reflects society’s values: consumer protection legislation embodies our value of health and safety. Considering such legal protections not only avoids the cost of litigation, but supports society’s values while maintaining a positive image for the organization.

- **If everyone faced with a similar situation chose to act in this manner, what would be the result?** If all corporations chose to ignore defects in products in order to market a potentially lucrative product, the results would include more consumer injuries, higher insurance rates, more litigation, and ultimately lower sales given the potential negative publicity.