Informative essay on business law

Law, Contract Law

Resolving Ethical Business Challenges Chapter One 1. What are the potential ethical issues faced by Acme Corporation? Acme is essentially bribing buyers to purchase their products. This could backfire on them if the buyers company gets wind of it. The reaction of the company may be to fire their buyer and cut off Acme all together. This of course could be potentially fatal for Acme in two ways, one by damaging their infrastructure though lost revenue and two by damaging theircorporate reputation. 2.

What should Acme do if there is a desire to make ethics a part of its core organizational values? Acme needs to developed a new strong internal business ethic code of conduct and see to it the its present corporatecultureis abolished. This may require a turnover of its present staff, but at the very least they need an agreement of all current and future employees to abide by new ethical conduct codes as outline 3. Identify the ethical issues of which Frank needs to be aware. There are several ethical issues that Frank needs to by aware off, the first is his own personal integrity.

Frank needs to understand that ultimately his reputation is as much at risk as Acme's. While Frank is acting as an agent for Acme, he is also always acting as an agent for himself. Frank's participation in Acme's bribery could come back to him in the form of a reputation in his industry, which could impede his future employability. Frank also needs to be aware that he is setting a precedent in the way he sells. This could be a future problem for Frank in that he will not develop he necessary skills he needs for ethical sales, which will mean that he will most likely have to revert to a " bribery technique" to get the job done, thus stunting his future potential. 4. Discuss

the advantages and disadvantages of each decision that Frank could make. Frank could have chosen not feed into the bribery offer of Otis. This may have resulted in Otis placing sales anyway. Frank could have confronted Otis directly, but softly stating that he knows Otis would never suggest something as blatant as bribery in exchange for orders.

Going on to build up Otis and praise him for being above reproach when it came to business and certainly living up to the great reputation that Frank had heard he had. The advantages choices would be that Frank and Acme would maintain a correct ethical position in business. The only disadvantage may be a short-term loss of a sale. Chapter Three 1. What are Joseph's ethical problems? Joseph has to decide whether to enforce a no kickback rule that his company has in place. If he decides to enforce it, it may cost him his job. Should he look the other ay and not enforce it he may most likely gain in at least the short term. 2. Assume that you are Joseph and discuss your options. My first option is simply to do nothing. This method of operation predates my employment. I may choose to do something later but only after I have a stronger foot hold in the company. My personal and professional life is too precarious to risk any boat rocking currently.

My second option is to have a hypothetical conversation with Kathryn asking her what she would expect if one of her up and coming sales managers were to discover their sales persons aying kick backs. In this way, I will find out in advance what her reaction is likely to be. This would give me more information by which to formulate my options more clearly. 3. What other information do you feel you need before making your decision? As I discussed previously, I would want to know what is more likely to be the

expectation of management for their sales managers. 4. Discuss in which business areas the ethical problems lie. The areas of business affected by paying kickbacks are its internal corporate ulture, its customer relations, its industries fair trade, and finally its own product cost. The company will develop an internal acceptance to bribing customers; this will lead to a degrading of its honest potential. Costumers will come to believe that the company is dishonest and may determine at some future point that business with them is too risky. If the industry, which the company participates in, has governing rules then this company could be risking its future ability to participate. Kickbacks ultimately add to the cost of a product.