

COURSE OVERVIEW

BPUB / LGST 621

The Government and Legal Environment of Business *Cohorts D-F, J-L*

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Description: The business environment has market and nonmarket components. The market component is characterized by the economics of an industry and a firm's position in it. The "non-market" component is the broader political, legal, and civil context in which companies function. This course addresses how businesses manage their interactions with political and regulatory institutions, the law, and the public. The influence of these institutions on business is pervasive, and managers without prior exposure to these subjects can be woefully unprepared to develop business strategy, at great cost to their firms. BPUB/LGST 621 is part of Wharton's MBA core curriculum for a simple reason: successful businesses need to formulate strategy not only for their product markets, but also for the political and legal systems in which they operate.

To pursue this objective, this course provides tools for understanding the legal basis of business relationships, regulatory oversight of common business activities, and the ways businesses (and other organizations) shape the political process that determines these legal structures. The aim is not to substitute for consultation with specialists when necessary (e.g., attorneys, lobbyists, and so on), but rather to help you avoid the more obvious shoals, evaluate potential risks and opportunities, and structure and inform your interactions with specialists. At the end of this course you will have a better understanding of the regulatory and political environments, specific principles that apply to business decisions in these arenas, and a grasp of the non-market institutions that affect business. More important, you will be able to formulate strategies to deal with the uncertainty of decision-making in these contexts.

Class Sessions: Most class sessions involve some lecturing, to summarize and clarify key points, but chiefly consist of case discussions. Please come to each class prepared with analysis of the materials and questions posed for that session.

Readings:

Required readings are available as follows:

1. A customized textbook for BPUB/LGST 621: *Business and its Environment*, 4th ed., by David P. Baron (Prentice Hall, 2002), is available at the Penn Bookstore.
2. A coursepack with selected readings and cases is available at Wharton Reprographics. *Note: Be sure to get the appropriate coursepack for your professors.*

Additional readings may be downloaded from WebCafé, or will be made available as handouts in class.

Lecture Materials, in the form of power-point slides, should be available after each class on WebCafé.

Requirements:

Your course grade will be determined by the following criteria:

Class participation:	30%
Session Summaries:	10%
Mid-term examination:	30%
Final examination:	30%

Class Participation.

We consider the quality of an individual's participation is (far) more important than the quantity. Characteristics of valuable participation include:

- Comments that *clearly relate to the case*;
- Comments that *provide analysis or well-reasoned recommendations*;
- Comments that *clarify or highlight important aspects* of earlier comments;
- Comments *synthesize the main components* of the discussion.

You are expected to attend every class session; an unexplained absence will adversely affect your course grade.

Session Summaries.

Each learning team will be charged with preparing a summary of *one* class session, bringing together key points of the readings, the case, class discussion and relevant further extensions, tying the class into insights from other classes, recent news events, or discussions within your study group. Your mission is simply to produce a short document that your classmates will find interesting and useful as they review the class. A separate document outlines the requirements for this part of the assessment.

Mid-Term Exam.

The registrar has scheduled the mid-term examination for **Monday, February 13, 6-8pm.**

This exam will examine your understanding of the legal studies material covered in the first half of the course (Classes 1-6). Practice questions and

answers will be available from Webcafé. Further details will be presented closer to the date of the exam.

Please take note of the following excerpt from the *MBA Resource Guide* 2003-2004:

“You should never approach your instructors with requests to reschedule exams or to make special accommodations. If you have special circumstances such as time conflicts between multiple exams, illness, or grave personal difficulties such as a death in the family, you should petition the Academic Services Office, which will work with the faculty in appropriate cases to find a resolution. A time conflict due to a job interview, a career pursuit or travel is never an appropriate reason to request accommodation on an academic commitment. If you find yourself with such a conflict you should work with the MBA Career Management Office to find a resolution.”

<http://www.wharton.upenn.edu/mbaresource/policies.html#examination>

Final Exam.

The registrar has scheduled the final examination for **Tuesday, February 28, 6-8 pm.**

This exam will examine your understanding of the political economy material covered in the second half of the course (Classes 7-12). The final exam will not test the material from Sessions 1-6. Practice questions and answers will be available from Webcafé. Further details will be presented closer to the date of the exam.

Please bear in mind the excerpt from the *MBA Resource Guide* above.