

Southeast Missouri State University

Department of Accounting & Management Information Systems

Course No.: AC563

Title of Course: Legal and Ethical Issues in Accounting

Revised: Fall 2010

I. Catalog Description and Credit Hours of Course:

A study of legal issues confronting business decision-makers, including negotiable instruments, debtor-creditor relationships, securities regulation & business organizations. (3)

II. Prerequisite(s): BL255 or its equivalent with a minimum grade of 'C'

III. Purposes or Objective of the Course:

Upon completion of this course a student should be able to:

- A. provide an enhanced understanding of legal & ethical issues related to modern business practice.
- B. foster a student's ability to critically analyze & synthesize information for the purposes of making valuable business decisions.
- C. familiarize students with topics covered on the CPA exam.
- D. strengthen a student's written & oral communication skills.
- E. develop proficiency in using information technology & legal research skills.

V. Expectations of Students:

- A. To apply & demonstrate vigorous analytic reasoning skills, both oral & written
- B. To make satisfactory scores on all periodic exams/quizzes/class projects

IV. Course Content or Outline:

- A. Introduction 4 hrs
 - 1. General principles
 - 2. Business Legal environments
 - 3. Professional malpractice & ethics
- B. Negotiable Instruments 4 hrs
 - 1. Kinds of instruments, parties, & negotiability
 - 2. Transfer of negotiable instruments
 - a. Kinds of endorsements
 - b. Negotiation warranties
 - c. Assignment of instruments
 - 3. Rights of holders
 - a. Kinds of claimants
 - b. Defenses
 - 4. Checks & funds transfers

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| C. | Debtor-Creditor Relations | 12 hrs |
| | <ol style="list-style-type: none"> 1. Secured transactions in personal property <ol style="list-style-type: none"> a. General principles b. Secured credit sales c. Secured loans d. Rights of parties before default e. Priorities f. Rights of parties after default 2. Bankruptcy <ol style="list-style-type: none"> a. Bankruptcy law & proceedings b. Liquidation under Chapter 7 c. Administration of debtor's estate d. Debtor's duties & exemptions e. Reorganizations under Chapters 11 & 13 | |
| D. | Business Organizations | 4 hrs |
| | <ol style="list-style-type: none"> 1. Forms of business organizations <ol style="list-style-type: none"> a. Principal forms of business organizations b. Specialized forms of organizations c. Franchise businesses 2. Creation & termination of partnerships 3. Partnerships, LLPs & LLCs <ol style="list-style-type: none"> a. Authority of partners b. Duties, rights, remedies & liabilities of partners | |
| E. | Introduction to Corporation Law | 3 hrs |
| | <ol style="list-style-type: none"> 1. Creation & termination of the corporation 2. Corporate powers 3. Consolidations, mergers, & conglomerates | |
| F. | Corporate Stock & Bonds | 6 hrs |
| | <ol style="list-style-type: none"> 1. Corporate stock 2. Acquisition of shares 3. Rights of shareholders 4. Liability of shareholders 5. Bonds | |
| G. | Management of Corporations | 6 hrs |
| | <ol style="list-style-type: none"> 1. Shareholders 2. Directors 3. Officers, agents, & employees 4. Liability | |
| H. | Securities Regulation | 6 hrs |
| | <ol style="list-style-type: none"> 1. State & federal regulations 2. Industry self-regulation | |
| VI. | Textbook(s) and/or Other Required Materials or Equipment: | |

Twomey, D. P., & Jennings, M. M. (2008). *Business law: Principles for today's commercial environment* (2nd ed.). Thomson.

- VII. Basis for Student Evaluation. The weight of evaluation criteria may vary at the discretion of the instructor & will be indicated at the beginning of each course.

The evaluation of students will be based on:

- A. class discussion & contribution: students should be prepared to discuss all reading assignments. Students will be prepared to summarize & present project results. Research projects may include legal research on-line, research papers; oral presentations.
- B. performance level on assignments: students will be expected to locate, summarize, & lead class discussions on reading assignments which will include case law, statutory law & government regulations.
- C. performance on microcomputer projects: students will be expected to demonstrate proficiency in performing on-line legal research.
- D. performance on exams: all students will be responsible on exams for all assigned materials, lectures, & class discussions.
- E. completion of a special project/paper (graduate student requirement)

VIII. University policy:

- A. Academic Honesty and Student Code of Conduct: Students are expected to abide by the University Policy for Academic Honesty. The official statement about academic honesty, including plagiarism, is found in the *Undergraduate Bulletin* or may be accessed at: <http://www.semo.edu/bulletin/pdf/2006Bulletin.pdf>. Students are expected to understand and abide by rules of the Code of Student Conduct available at <http://www6.semo.edu/stuconduct/code.html>. Additional conduct information may be accessed at: <http://www6.semo.edu/judaffairs>.
- B. Student with Disabilities Statement: Official information about provisions to be made for students with disabilities can be obtained from Learning Assistance Programs & Disability Support Services, located at: <http://www.semo.edu/cs/services/lec.htm>.