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BUSINESS LAW

Ninth Edition

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A study guide has been developed to assist you in mastering concepts presented in this text. Prepared by Peter T. Kahn and Dennis R. Hower of the University of Minnesota, this practical student study guide includes chapter overviews, educational objectives, chapter outlines, key terms, and exercises that match key terms to definitions. Your comprehension can be tested with multiple choice, true/false, short essay problems, and research problems. Answers are provided for all exercises and are keyed to the text material. The study guide is available from your local bookstore under the title *Study Guide to Accompany Smith and Roberson's Business Law, Ninth Edition*. If you cannot locate it in the bookstore, ask your bookstore manager to order it for you.

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PREFACE

The format of the Ninth Edition is the same as that of the eight prior editions, in that each chapter contains narrative text, cases consisting of selected court decisions, and problems. This text is designed for use in Business Law and Legal Environment courses generally offered in universities, colleges, and schools of business and commerce. By reason of the broad coverage and variety of the material, this volume may be readily adapted to specially designed courses in Business Law by assigning and emphasizing different combinations of the subject matter. The text covers all topics included in the CPA exam.

To improve readability, all unnecessary “legalese” has been omitted while necessary legal terms are printed in boldface and clearly defined, explained, and illustrated. The text is enriched by numerous illustrative hypothetical and case examples which help students relate material to real-life experiences. The end-of-chapter cases are cross-referenced in the text, as are related topics covered in other chapters.

Greater emphasis has been placed upon the regulatory environment of Business Law: the first eight chapters are devoted to introductory coverage of the legal environment of business, and Part Nine (Chapters 42 to 48) addresses government regulation of business. Administrative Law is now a separate chapter.

From long classroom experience, we are of the opinion that fundamental legal principles can be learned more effectively from text and case materials having at least a de-

gree of human interest. To accomplish this objective, a large number of recent cases have been included. Landmark cases, on the other hand, have not been neglected. All have been carefully edited to preserve the actual language of the court and to show the essential facts of the case, the issue or issues involved, the decision of the court, and the reason for its decision.

In this text, we have used approximately 120 classroom-tested figures, charts, and diagrams. The diagrams help the student conceptualize the many abstract concepts in the law; the charts not only summarize prior discussions but also help to illustrate relationships among legal rules. In addition, each chapter begins with an outline that highlights the topics to be covered.

Classroom-proven problems appear at the end of chapters to test the student’s understanding of major concepts. We have used the problems, many of which are taken from reported court decisions, and consider them excellent stimulants to classroom discussion. Students have found the problems helpful in enabling them to apply the basic rules of law to factual situations. In addition to the problems, which readily suggest other and related problems to the inquiring, analytical mind, we have included discussion questions to provide students another opportunity to examine their comprehension of the material.

Computer Research Problems have been included in Part Two—Contracts, Part Four—Sales, and Chapters 42 through 45 of Part Nine—Regulation of Business. These

problems are based on cases appearing in **LEGAL CLERK**, an interactive software package that introduces students to the basics of computer-aided research and amplifies the principles of business law covered in those chapters. Access to **LEGAL CLERK** allows the student to review the legal principles relating to the facts of the problem and to read an edited version of the court's decision in the case upon which the facts are based. Each Computer Research Problem is identified with a logo indicating which of the three versions of **LEGAL CLERK** contains that case:



Uniform Commercial Code Article 2 Sales—Version 1.0



Government Regulation and The Legal Environment of Business—Version 1.0



Contracts—Version 1.0

The text contains comprehensive appendices, including the Constitution of the United States (Appendix A); selected provisions of the Restatements of Torts, Contracts, and Agency (Appendix B); the Uniform Commercial Code (Appendix C); the Uniform Partnership Act (Appendix D); the Revised Uniform Limited Partnership Act (Appendix E); and the Revised Model Business Corporation Act (Appendix F). A comprehensive Dictionary of Legal Terms appears in Appendix G.

Classroom use and study of this book should provide for the student the following benefits and skills:

1. Perception and appreciation of the scope, extent, and importance of the law.
2. Basic knowledge of the fundamental concepts, principles, and rules of law that apply to business transactions.
3. Knowledge of the function and operation of courts and governmental administrative agencies.
4. Ability to recognize the potential legal problems which may arise in a doubtful or

complicated situation, and the necessity of consulting a lawyer and obtaining competent professional legal advice.

5. Development of analytical skills and reasoning power.

SUPPLEMENTAL MATERIALS

Instructor's Manual, by Richard Mann, Barry Roberts, and Pam Poole Weber. Perforated and three-hole punched, it includes:

- Part opening ethics questions, suggested activities, and research projects.
- Chapter lecture outlines.
- Answers to problems and discussion questions.
- Briefs to cases page-referenced to the book.
- Suggested questions for students.
- Extra Case Problems.
- References to supplemental lecture cases.
- Recommendations for use of transparency masters and acetates.
- Notes on changes to the Ninth Edition.
- Supplemental lectures.

Test Bank, by Frank Vickery of Florida State University, comes in a separate volume and includes approximately seventy-five test questions per chapter—thirty-five true/false, thirty-five multiple choice, and five short essay.

Computerized Testing—Westest. Westest computerized testing is available to qualified adopters. It is available for Macintosh users and for users of IBM PCs and compatibles. Using Westest, you can create, edit, store, and print exams at the touch of a few keys.

Computerized Case Library includes in their entirety all cases upon which end-of-chapter problems are based. The complete library is in ASCII files to allow screen viewing or printout in any word processing software.

Transparency masters for all figures in the text and **acetates** for selected figures make it convenient to use the book's illustrations in the classroom.

Supplementary Cases. This book is a collection of cases from past editions of Smith and Roberson's BUSINESS LAW.

West's® Regional Reporter system. Available free to qualified adopters for one year, the Regional Reporter provides professors and students with updated case decisions from their region throughout the year.

West's® Book of Legal Forms, by Robert McNutt, contains forty sample business forms.

Instructor's Manual for *Drama of the Law* Video Series includes commentary for different points of law, student questions, and "What If . . . ?" scenarios.

STUDENT SUPPLEMENTS

Study Guide, by Peter Kahn and Dennis Hower (both at the University of Minnesota), includes:

- An opening section on "How to Study the Law."
- Chapter Overviews.
- Key Terms.
- Chapter Questions (twelve true/false, fifteen multiple choice, three to five short essay, and fifteen matching).
- "Applying the Law" cases with yes/no and short essay questions.
- Two to three research problems per unit.
- A CPA exam business law review (ten pages).

Legal Clerk. A user-friendly interactive computer program designed to familiarize students with on-line legal research. Runs on IBM PCs and compatibles and comes with a free annual site license. Consult the multimedia manual for more information.

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Contracts: An Interactive Guide and **UCC Article 2 Sales: An Interactive Guide.** These software packages supplement the study of contract law and UCC Article 2 sales. Cases are presented and then followed by three to four multiple choice items. Free to qualified adopters. Consult the multimedia manual for more information.

PC WESTRAIN II. This software introduces students to computerized legal research techniques with no on-line charges. Runs on IBM PCs and compatibles and is free to qualified adopters. Consult the multimedia manual for more information.

Legal Review Software. Contains reference material from the tutorial portion of LEGAL CLERK. Runs on IBM PCs and compatibles. Disks and an instructor's resource manual are free to qualified adopters. Students can purchase student manual with or without disks. Consult the multimedia manual for more information.

You Be the Judge Software. An easy-to-use program designed to further enhance students' understanding of the law by presenting them with new cases and asking them to resolve the issue. Runs on IBM PCs and compatibles and is free to adopters. Consult the multimedia manual for more information.

MEDIA SUPPLEMENTS

Business Law Videodisk. Includes approximately thirty-two special frame images per chapter (980 total), plus video footage segments from American Bar Association videos. Consult the multimedia manual for more information and for the videodisk's table of contents.

Business Law Video Library. Includes a new *Drama of the Law* videotape. Qualified adopters can choose from twenty-three

videos in six separate areas: *Drama of the Law*, *The Making of a Case*, *Law and Literature*, *Ethics in America*, *American Bar Association*, and *Equal Justice*. Consult the multimedia manual for more information and for videotape titles.

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Richard S. Mann
Barry S. Roberts

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