

## Business Ethics

**Course code:** MGT301/1

**Term and year:** Fall 2025

**Day and time:** Tuesday, 15:00-17:45

**Instructor:** David Lipka, Ph.D.

**Instructor contact:** david.lipka@aauni.edu

**Consultation hours:** Tuesday, 19:30-20:30

|                        |          |                      |                  |
|------------------------|----------|----------------------|------------------|
| <b>Credits US/ECTS</b> | 3/6      | <b>Level</b>         | Bachelor         |
| <b>Length</b>          | 15 weeks | <b>Pre-requisite</b> | MGT 245, MKT 248 |
| <b>Contact hours</b>   | 42 hours | <b>Grading</b>       | Letter grade     |

### 1. Course Description

This course explores the ethical dimensions of market activities, drawing from the fields of economics, social psychology, and moral philosophy. It examines the ethical challenges faced by businesses and the frameworks used to address them. Emphasis will be placed on understanding the principles of ethical decision-making, and the impact of business decisions on society.

### 2. Student Learning Outcomes

Upon completion of this course, students should be able to:

- Understand key concepts and theories in business ethics.
- Analyze ethical issues in business using various ethical frameworks.
- Identify ethical tradeoffs in market activities
- Apply ethical principles to real-world business scenarios.
- Develop critical thinking skills in assessing the ethical implications of business decisions.
- Cooperate in teams in business-like setting
- Express and defend their own position on ethical issues in oral presentation
- Express and defend their own position on ethical issues in written presentation

### 3. Reading Material

#### ***Required Materials***

- Any textbook in business ethics published after 2000, or
- Ferrell, O. C., John Fraedrich, and Ferrell, L.. Business Ethics: Ethical Decision Making & Cases. 8th edition. South-Western College Pub, 2010. Available in the Library
- List of required articles and case studies available in NEO

#### ***Recommended Materials***

- Podcast: Library of Economics and Liberty – ECONTALK <http://www.econtalk.org/>
- Blog: [Marginal REVOLUTION - Small Steps Toward A Much Better World](#)
- [Moral Foundations Theory | moralfoundations.org](#)
- Ethics Unwrapped – The Science of Everyday Ethics [Ethics Unwrapped - Beyond Business Ethics - UT Austin \(utexas.edu\)](#) Is it right
- Business Ethics magazine [Business Ethics | The Magazine of Corporate Responsibility \(business-ethics.com\)](#)

- Markkula Center for Applied Ethics [All About Ethics - Markkula Center for Applied Ethics \(scu.edu\)](http://www.econlib.org/library/Smith/smWN.html)
- Smith, Adam. Theory of Moral Sentiments, The. Liberty Fund Inc., 1982.
- Smith, Adam. An Inquiry into the Nature and Causes of the Wealth of Nations. 5th ed. London: Methuen & Co., Ltd., 1904.  
<http://www.econlib.org/library/Smith/smWN.html>.
- McCloskey, Deirdre. The Bourgeois Virtues: Ethics for an Age of Commerce. First Edition. University Of Chicago Press, 2006.
- Henrich, Joseph. The Secret of Our Success: How Culture Is Driving Human Evolution, Domesticating Our Species, and Making Us Smarter. Princeton University Press, 2015.
- Haidt, Jonathan. The Righteous Mind: Why Good People Are Divided by Politics and Religion. Reprint edition. New York: Vintage, 2013.
- Cowen, Tyler. Big Business: A Love Letter to an American Anti-Hero. St. Martin's Press, 2019.

#### 4. Teaching methodology

- Active learning through discussions of business ethics cases
- Lectures
- Student team debates

#### 5. Course Schedule

| Date   | Class Agenda                                                                                                                                                                                        |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sep 02 | <b>Topic:</b> Introduction, goals of the class, What is business ethics?                                                                                                                            |
| Sep 09 | <b>Topic:</b> From Moral Philosophy to Political Economy of Hutcheson, Hume and Smith<br><b>Reading:</b> Available in NEO<br><b>Assignments/deadlines:</b> Team membership and Team Lead nomination |
| Sep 16 | <b>Topic:</b> From Political Economy to Behavioral Economics and Evolutionary Psychology<br><b>Reading:</b> Available in NEO                                                                        |
| Sep 23 | <b>Topic:</b> Business System<br><b>Reading:</b> Available in NEO<br><b>Assignments/deadlines:</b> Final Case Study assignment                                                                      |
| Sep 30 | <b>Topic:</b> Is business Bad? Profit motive, CSR<br><b>Reading:</b> Available in NEO                                                                                                               |
| Oct 07 | <b>Topic:</b> Is for-profit worse than not-for profit or government? Feedback mechanisms and culture<br><b>Reading:</b> Available in NEO                                                            |
| Oct 14 | <b>Topic:</b> Review session.<br><b>Assignments/deadlines:</b> Paper submission                                                                                                                     |
| Oct 21 | <b>Topic:</b> Ethics of market (business) failures – environment, monopoly<br><b>Reading:</b> Available in NEO                                                                                      |
| Oct 28 | <b>Mid-term break</b>                                                                                                                                                                               |
| Nov 04 | <b>Topic:</b> Business vs. employees – compensation, safety, and discrimination<br><b>Reading:</b> Available in NEO                                                                                 |
| Nov 11 | <b>Topic:</b> Product quality, misrepresentation, cheating<br><b>Reading:</b> Available in NEO                                                                                                      |
| Nov 18 | <b>Topic:</b> Ethical challenges of international business<br><b>Reading:</b> Available in NEO                                                                                                      |

|        |                                                                                                           |
|--------|-----------------------------------------------------------------------------------------------------------|
|        | <b>Assignments/deadlines:</b>                                                                             |
| Nov 25 | <b>Topic:</b> Finance ethics<br><b>Reading:</b> Available in NEO<br><b>Assignments/deadlines:</b>         |
| Dec 02 | <b>Topic:</b> Technology and Privacy<br><b>Reading:</b> Available in NEO<br><b>Assignments/deadlines:</b> |
| Dec 09 | <b>Topic:</b> Final Debates<br><b>Assignments/deadlines:</b> Final Case Study Submission                  |

## 6. Course Requirements and Assessment (with estimated workloads)

| Assignment                       | Workload (hours) | Weight in Final Grade | Evaluated Course Specific Learning Outcomes | Evaluated Institutional Learning Outcomes* |
|----------------------------------|------------------|-----------------------|---------------------------------------------|--------------------------------------------|
| Class Participation (Team)       | 42               | 25%                   | 2, 3, 4, 5                                  | 1, 2                                       |
| Class Participation (Individual) |                  | 10%                   | 6                                           | 2                                          |
| Paper                            | 38               | 20%                   | 1, 2, 5                                     | 1, 2                                       |
| Debate (Team)                    | 40               | 15%                   | 7                                           | 2                                          |
| Debate (Individual)              |                  | 10%                   | 6                                           | 2                                          |
| Final Case Study Resolution      | 30               | 20%                   | 1, 2, 3, 4, 5, 8                            | 1, 2                                       |
| <b>TOTAL</b>                     | <b>150</b>       | <b>100%</b>           |                                             |                                            |

\*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

## 7. Detailed description of the assignments

### ***Class Participation (team):***

Students will be assigned to teams at the beginning of the semester. Most sessions, except for the initial lectures, will be based on discussions and arguments among the teams and the instructor. The class participation grade will reflect the quality of the team's contribution to the class discussion. All team members are expected to contribute to the team effort, though not necessarily by speaking or answering the instructor's questions. The division of labor within the team is up to the team. Having a single spokesperson or sharing discussion interventions equally is both acceptable and encouraged. 10 pp will be awarded at the midterm evaluation and 15 pp at the final evaluation.

### **Assessment breakdown**

| Assessed area              | Percentage |
|----------------------------|------------|
| Substance of the arguments | 60%        |
| Style of argumentation     | 40%        |

***Class Participation (individual):***

The team will be organized similar to a business structure, with a Team Lead and team members. The instructor serves as the Team Lead's supervisor. The Lead is responsible for ensuring that all team members contribute to the team's work. To help manage this responsibility, the Lead has an incentive structure that can influence 10 percentage points (pp) of each individual team member's overall grade.

The Team Lead will propose grades to the instructor, who will then conduct one-on-one sessions with the Lead and the team members to ensure the assessments are fair. The Lead's own grade is determined by the instructor, based on both observed behavior in class and feedback from these meetings. Additionally, the Lead may earn up to an extra 5 pp as a bonus for outstanding management performance.

**Assessment breakdown**

| Assessed area                        | Percentage |
|--------------------------------------|------------|
| Team participation / Team management | 100%       |

***Paper:***

Your goal is to argue for the greatest business ethicist of all time (GOAT). The criteria you use are up to you—it could be originality (introducing new ideas), breadth and depth of contribution, historical importance (impact on society), accuracy (still considered correct today), or any other criterion you can justify. The paper must be no longer than 1,500 words, meet all scholarly standards, and avoid plagiarism. Please consult the AAU rules regarding the use of Gen AI.

The paper must be submitted electronically through NEO. No late submissions will be accepted.

**Assessment breakdown**

| Assessed area                                                           | Percentage |
|-------------------------------------------------------------------------|------------|
| Persuasiveness of the argument                                          | 30%        |
| Support of the arguments by references to primary and secondary sources | 40%        |
| Style                                                                   | 30%        |

***Debate:***

Teams will work on assigned business ethics cases, with each case study being analyzed by two teams. These teams will present either a defense or a critique of the main agent's actions in a debate. Positions will be assigned to teams well before the debate. If both teams can reach a consensus, the instructor will respect their agreement on which position they wish to argue. Students are not permitted to use any handouts or notes during the debate, except for a list of references.

**Assessment breakdown**

| Assessed area                                      | Percentage |
|----------------------------------------------------|------------|
| Identification of relevant facts                   | 20%        |
| Persuasiveness of the arguments                    | 20%        |
| Ability to successfully react to opponents' points | 40%        |
| Presentation style                                 | 20%        |

### **Case Study:**

You are required to critically analyze in writing the case study assigned to your team. **Note:** The written analysis is not collective work. You will present your own position, which may differ from the position presented during the Debate.

Your analysis should be thorough and well-structured, demonstrating a deep understanding of business ethics concepts. Address each of the following points in your response:

1. **Identification of Morally Relevant Facts:**
  - o Identify and describe all the facts in the case study that have moral significance. Consider any information that may impact the ethical evaluation of the situation.
2. **Analysis of the Key Agent's Behavior:**
  - o Evaluate how the key agent in the case study assessed the situation. Did the agent overlook or misinterpret any morally relevant facts? If so, which ones, and how did these omissions or misinterpretations influence the agent's decision-making process?
  - o Discuss whether the key agent's actions and decisions were ethically sound. What ethical principles did the agent appear to follow or violate?
3. **Stakeholder Analysis:**
  - o Identify other stakeholders in the case study. Assess how these stakeholders may have influenced the key agent's decision and how they were impacted by the decision. Did any stakeholder's actions contribute to the situation's ethical complexity? If so, how?
4. **Application of Ethical Principles:**
  - o In your analysis, reference and apply common ethical principles or standards to support your conclusions.
  - o Explain how these principles apply to the case study and how they guide your evaluation of the key agent's and other stakeholders' behavior.
5. **Reasoning and Justification:**
  - o Your analysis should be logical and well-reasoned. Clearly justify your conclusions with evidence from the case study and reference to the ethical principles or standards discussed in class.

### **Assessment breakdown**

| <b>Assessed area</b>              | <b>Percentage</b> |
|-----------------------------------|-------------------|
| Identification of relevant facts  | 20%               |
| Application of Ethical Principles | 30%               |
| Reasoning and Justification       | 40%               |
| Form                              | 10%               |

## **8. General Requirements and School Policies**

### **General requirements**

All coursework is governed by AAU's academic rules. Students are expected to be familiar with the academic rules in the Academic Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work. Please see the AAU intranet for a [summary of key policies](#) regarding coursework.

### **Course specific requirements**

There are no special requirements or deviations from AAU policies for this course.