Critically evaluates the business environment from legal, economic, political and social perspectives, at both the national and international levels. Develops skills to identify and influence major constraints and opportunities, and to use this critical understanding in strategic decision-making.

Goals of the course

**Part One:** First, the course aims to provide a basic framework to help understand how contemporary economics explains dramatic events in the national and international economy. An important part of this explanation focuses on the role of confidence, expectations and crowd psychology behaving in a different manner than would be suggested by studying individual behaviour. Without some form of coordination, individual behaviour can lead to inferior outcomes.

Second, the course discusses how the right kinds of public policies and institutions can be developed which focus the uncoordinated actions of individual households on good, rather than bad, overall outcomes. Understanding what constitute good policies and institutions and how they can be designed to influence economic and business behaviour in desirable directions is crucial.

Third, the course examines how the behaviour of the private sector shapes beliefs amongst the public and influences the degree of support for capitalism and free markets. We aim to understand how corporate social responsibility affects the design of public policies and institutions.

Finally, the course is intended to develop a simple framework that can be used to evaluate how globalization is likely to change the performance of specific markets and thus assess the associated risks, opportunities and implications for public policy.

**Part Two:** The second half of this course focusses on key areas of the law affecting business enterprises in New Zealand. The course discusses the impact of the legal environment, common legal issues and relevant institutions critical to achieving the strategic objectives and management objectives of the organisation or enterprise.

To be able to identify fundamental issues in contract, employment, data privacy and competition law in a business context is a vital skill. This course is designed to highlight several essential areas of law in a business environment and to appreciate how and why these respective areas of law interact with New Zealand’s legal system. The course ends by examining the role of Commerce Commission as a key regulator of competition in New Zealand.
### Learning outcomes (LO)

By the end of the course, it is expected that students will be able to:

<table>
<thead>
<tr>
<th>#</th>
<th>Learning outcome</th>
<th>Graduate profile capability*</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO1</td>
<td>Appreciate how business, government and the global economy interact in order to enable you to enjoy a competitive advantage as a manager or business owner.</td>
<td>1. Disciplinary Knowledge and practice. 4a. Communication (Oral)</td>
</tr>
<tr>
<td>LO2</td>
<td>Make more informed managerial decisions by having a better understanding of the genesis of booms and busts.</td>
<td>1. Disciplinary Knowledge and practice.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Critical thinking</td>
</tr>
<tr>
<td>LO3</td>
<td>Have a more coherent framework for analysing how economic policy is set by the public sector to influence macroeconomic phenomena.</td>
<td>1. Disciplinary knowledge and practice. 3. Solution seeking</td>
</tr>
<tr>
<td>LO4</td>
<td>Help you to make ethical business decisions and understand how corporate responsibility affects the extent to which people support capitalism and their trust in the business community.</td>
<td>1. Disciplinary knowledge and practice. 5a. Independence. 5b. Integrity. 6. Social and environmental responsibilities</td>
</tr>
<tr>
<td>LO5</td>
<td>Identify the role and interaction of the three branches of Government in the New Zealand legal system in the context of business in New Zealand</td>
<td>1. Disciplinary knowledge and practice. 2. Critical thinking</td>
</tr>
<tr>
<td>LO6</td>
<td>Apply the elements of contract formation in determining whether a contract has been validly formed and differentiate between various types of contractual terms and representations in practical scenarios</td>
<td>1. Disciplinary knowledge and practice. 2. Critical thinking. 3. Solution seeking</td>
</tr>
<tr>
<td>LO7</td>
<td>Identify the legal issues associated with employment matters and data privacy in a business setting</td>
<td>1. Disciplinary knowledge and practice. 2. Critical thinking. 5a. Independence 5b. Integrity</td>
</tr>
<tr>
<td>LO8</td>
<td>Explain the key legislative provisions and the role of the Commerce Commission in regulating fair trade and competition in New Zealand</td>
<td>1. Disciplinary knowledge and practice. 2. Critical thinking. 4a. Communication (Oral) 4b. Communication (Written)</td>
</tr>
</tbody>
</table>

* See the graduate profile this course belongs to at the end of this course outline.
## Content outline

<table>
<thead>
<tr>
<th>Week / Module</th>
<th>Topic</th>
<th>Relevant learning resources/activities</th>
<th>Assessment due this period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART ONE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Class 1/ Week 1 | Analytical Framework  
- GDP, Markets  
- The causes of 'short-run' business cycles | Course-book  
Case Study: “The Choice of Exchange Rate Regime”  
Case Study: John Maynard Keynes: Life, Times and Writing |                             |
| Class 2/ Week 1 | Institutions and causes of 'long run' economic performance  
- The role of the public sector  
- The role of the private sector | Douglass North, Nobel Prize Lecture.  
*Milton Friedman, “The Social Responsibility of Business is to Increase Profits”*  
*Kenneth Arrow, “Social Responsibility and Economic Efficiency”* |                             |
<p>| Class 3/ Week 3 | Corporate Social Responsibility and the Legitimacy of Capitalism | Kenneth Goodpaster and John Mathews, &quot;Can a Corporation Have a Conscience?&quot; | Assignment 1 |
| Class 4/ Week 3 | Markets vs Intervention | Case Study: Eliot Spitzer: Pushing Wall Street to Reform (Harvard Business School). | Test 1 |</p>
<table>
<thead>
<tr>
<th><strong>PART TWO</strong></th>
<th></th>
</tr>
</thead>
</table>
| **Class 6/Week 5** | Legal system in New Zealand: sources of law, the common law system, separation of powers, parliamentary/legislative supremacy, the role of the executive, the court structure and hierarchy, role of crown entities and regulatory bodies | Coursebook: Longdin (ed) *Law in Business and Government in New Zealand*, Palatine Press, 4-00  
Course book: Watson (ed) *Law for Business*, Akoranga Press, 2.5-2.5.1, 2.13-2.15 (excerpts), 2.8 and 2.18-2.18.6 |
| **Class 7/Week 7** | Contract law: three essentials of contract formation: offer and acceptance, consideration and intention to create legal relations | CLiNZ part 2 chapter 2 paras 2.1 to 2.4  
CLiNZ part 2 chapter 3 paras 3.1 to 3.1.15  
CLiNZ part 2 chapter 3 paras 3.2 to 3.2.9  
CLiNZ part 2 chapter 3 paras 3.4 to 3.4.2 |
| **Class 8/Week 7** | Contract law cont: contractual terms (express and implied), representations and if time allows breach of contract and remedies available | CLiNZ part 2 chapter 4 paras 4.1 to 4.2.6  
CLiNZ part 2 chapter 4 paras 4.4 to 4.4.3 | Test 2 |
| **Class 9/Week 9** | Data privacy - Privacy Act 1993, Privacy Bill 2018, Office of The Privacy Commissioner, guest lecturer  
Employment law - Employment Relations Act 2000, the Employment Relations Authority and the Employment Court, guest lecturer | *CCH Intelliconnect*: 2-008, 32-030 to 32-035, 32-070-32-072  
Guest lecturers (2)  
Course book: Watson (ed) *Law for Business*, Akoranga Press, 10.1 |
Learning and teaching
The course is co-taught since it draws on several different disciplines. The first half focusses on the economic and political perspectives. It also discusses the important role of psychology in understanding how the business environment works. The second half of the course draws more on the legal discipline. However, little prior knowledge of these different disciplines is required.

Our classes meet on Fridays and Saturdays. They will be used for a combination of teaching and discussions. Students should prepare before each class. It is essential to have read the prescribed material beforehand to ensure high quality discussion, debate and participation by everyone.

All required materials can be found in the course-book and on CANVAS. Feedback will be sought throughout – informally, via evaluation, and student representatives. You can contact us anytime via email and we can talk by phone, or meet up in our offices.

Teaching staff
Robert MacCulloch
Matthew S. Abel Professor of Macroeconomics
Room: 260.358
Phone: 09 923 2678
Learning resources

Part One:
All required materials are contained in a course book which will be handed to you at the start of the first class. The textbook, *Macroeconomics*, by Greg Mankiw, Latest Edition, Worth Publishers, is recommended if you wish to do further background reading on the topics that we cover. It is not required although I will link each topic to its corresponding chapter in the book. You may like to have this book as a reference after the course has finished should you wish to learn more about the subject.


The required readings are as follows:

John Maynard Keynes: Life, Times and Writing (Harvard Business School)
The Choice of Exchange Rate Regime (Harvard Business School)
Eliot Spitzer: Pushing Wall Street to Reform (Harvard Business School).

Part Two:
The required readings are as follows:


Other useful resources:
Executive/policy: https://www.beehive.govt.nz/
Courts: https://www.justice.govt.nz/
Treasury: https://treasury.govt.nz/about-treasury/who-we-are
State Services Commissioner: http://www.ssc.govt.nz/sscer
Commerce Commission: https://comcom.govt.nz/

Employment law in NZ:
https://www.employment.govt.nz/about/about-employment-new-zealand/
https://www.employment.govt.nz/resolving-problems/steps-to-resolve/labour-inspectorate/
https://www.employmentcourt.govt.nz/
Privacy law in NZ:

Assessment information

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Weight %</th>
<th>Group and/or individual</th>
<th>Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part I</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assignment 1</td>
<td>25</td>
<td>Individual</td>
<td>Typed or hand written, submitted via CANVAS</td>
</tr>
<tr>
<td>In-class participation</td>
<td>5</td>
<td>Individual</td>
<td></td>
</tr>
<tr>
<td>Test 1</td>
<td>20</td>
<td>Individual</td>
<td>Hand-written hard copy</td>
</tr>
<tr>
<td><strong>Part II</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Test 2</td>
<td>20</td>
<td>Individual</td>
<td>Hand-written hard copy</td>
</tr>
<tr>
<td>In-class participation</td>
<td>5</td>
<td>Individual</td>
<td></td>
</tr>
<tr>
<td>Assignment 2</td>
<td>25</td>
<td>Group</td>
<td>Typed or hand written, submitted via CANVAS</td>
</tr>
</tbody>
</table>

Pass requirements
To pass the course, a mark of over 50% is required on the aggregate of all the assessments. Students are expected to prepare before coming along, attend all classes, participate in discussions and debates, and submit assignments on time.

Description of assessment tasks

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Learning outcome to be assessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment 1</td>
<td>LO1, LO2</td>
</tr>
<tr>
<td>Assignment 2</td>
<td>LO8</td>
</tr>
<tr>
<td>In-class participation</td>
<td>LO1, LO2, LO3, LO4, LO5, LO6, LO7</td>
</tr>
<tr>
<td>Test 1</td>
<td>LO1, LO2, LO3, LO4</td>
</tr>
<tr>
<td>Test 2</td>
<td>LO6</td>
</tr>
</tbody>
</table>

Inclusive learning
Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the courses convenor/lecturer and/or tutor.

Academic integrity
The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic offence. The work that a student submits for grading must be the student’s own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the worldwide web. A student’s
assessed work may be reviewed against electronic source material using computerised
detection to provide an electronic version of their work for computerised review.

**Student feedback**
The University of Auckland evaluates the quality of teaching and of courses by using the
Summative Evaluation Tool, or SET. Summative evaluation is formal, summative
evaluation of teaching undertaken according to University policy and is conducted at the
end of a semester/quarter through the use of the formal University SET instruments.
Summative evaluation is used by teachers to reflect on their teaching practice, and is
also used by the University for quality assurance of teaching and courses.

**In the event of an unexpected disruption**
We undertake to maintain the continuity and standard of teaching and learning in all
your courses throughout the year. If there are unexpected disruptions, the University
has contingency plans to ensure that access to your course continues and your
assessment is fair, and not compromised. Some adjustments may need to be made in
emergencies. In the event of a disruption, the University and your course coordinators
will make every effort to provide you with up to date information via Canvas and the
University website.

**Graduate profile for Master of Business Administration**
The following six themes represent the capabilities that the Business School seeks to
foster in all of its graduates. The development of these capabilities does not come all at
once, but rather is expected to build from year to year. Each course is not expected to
contribute to all capabilities, but each course will have its own goals and learning
outcomes that relate to the overall development of this profile.

<table>
<thead>
<tr>
<th>Graduate Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Disciplinary knowledge and practice</strong></td>
</tr>
<tr>
<td>Building on their existing experience, graduates will be able to demonstrate advanced knowledge of general management theory and apply this effectively in a range of contexts.</td>
</tr>
<tr>
<td>2. <strong>Critical thinking</strong></td>
</tr>
<tr>
<td>Graduates will be able to effectively evaluate and synthesise evidence from multiple sources to develop coherent and evidence-based arguments.</td>
</tr>
<tr>
<td>3. <strong>Solution seeking</strong></td>
</tr>
<tr>
<td>Graduates will be able to identify, prioritise, frame and analyse complex problems, develop creative and practical solutions, and understand the impact and implications of planned implementation.</td>
</tr>
<tr>
<td>4. <strong>Communication and engagement</strong></td>
</tr>
<tr>
<td>Graduates will be able to work effectively in teams, influence and lead others, and engage varied audiences by communicating professionally using multiple formats.</td>
</tr>
<tr>
<td>5. <strong>Independence and integrity</strong></td>
</tr>
</tbody>
</table>
Graduate Profile

Graduates will be able to engage in independent and ethical decision-making and behaviour, demonstrating self-reflection self-management in complex and ambiguous situations.

6. **Social and environmental responsibility**

Graduates will recognise, in relation to their field, the potential significance of the principles underpinning the Treaty of Waitangi and sustainability, and demonstrate capability to shape business practice accordingly where appropriate.