

## **TEACHING BUSINESS ETHICS:**

### **WHERE TO START**

**ABSTRACT:** Business scandals inevitably lead to calls for better business ethics education. Education begins with understanding. When we begin with the fundamental activity of business—trading—we can see that the fundamental ethic of business is a fair trade in which both parties are better off. Essential to this business ethic is the concept of honesty and full disclosure. But there are obstacles in the business community that inhibit such an ethical approach. First is the concept of profit maximization as the goal of business, which is based on a perfect competition economic model. Second is the efficient markets hypothesis, also based on a perfect competition economic model. And finally is the position of moral relativism. Only when all three of these obstacles are removed will business ethics be free to be clearly taught and effectively practiced. This paper shows how these obstacles can be removed.

Keywords: Ethics, Profit Maximization, Efficient Markets, Relativism