

# Law 4

Law



**ASSIGN  
BUSTER**

Business Ethics and Laws The Relationship between Business Law, Ethics and Monopoly Business Ethics, Constitutional Law, Antitrust and Monopoly

According to Halbert and Ingulli (1990), business ethics are the moral principle that governs the operation of a person in a business environment. Ethical behavior involves doing what is right morally; it is a highly regarded practice in the business environment. Business ethics surpasses legality in business. Ethics determines how a business should be done following certain codes of conduct. Acting in an unethical manner, may lead to personal accountability as person is held accountable for their actions.

Business law includes the regulations and rules that govern the operations of a business. It governs how a business is run, and if any violations are made, the owners or directors of the business is deemed legally liable. There are legal punishments in the form of corporate revocations and fines for violations (Halbert & Ingulli, 1990). The two terms “ business law” and “ ethics” are not similar though they are linked to the business environment. The public scrutinizes a business that is not running ethically, and there is a normally tough analysis of the legitimacy of their actions. Halbert and Ingulli (1990) state that although business laws ensure that a company is run in a legal manner, the ethics of a business regularly establish whether the business is surpassing the limits set upon by law if not breaking them unintentionally. For example if a business that deals in the mining of fluorine dumps its wastes in the rivers the action may be legal. However, the action may be unethical if the activity is done wrongly.

According to Armentano (1996), antitrust and monopoly are other business terms that go hand in hand with each other. Antitrust law is a set of rules that prohibit the unfair business practices. Monopoly is the business practice

that involves a few businesses being the suppliers of products in a huge market. The antitrust laws are set up to promote competition in the market. Certain business practices are deemed illegal if they impair business practices and affect the consumers in any way. Armentano (1996) affirmed that, illegal practices are viewed to be unethical in the business environment as they lead to market and business failure. Practices that lead to unethical activities in the business world are considered illegal according to the antitrust law. Monopoly is the act of a single entity controlling the market price of a certain commodity (Armentano, 1996). Monopoly is brought about by lack of competition in the market; one or few companies dominate the business industry. The few industries have the ability to increase prices at any time to eliminate competitors. The antitrust law plays a crucial role in ensuring that no market is monopolized by a single entity. They protect consumers from exploitation and high commodity prices. The Sherman Act in effect in the USA is one antitrust regulation that I have noted to apply to businesses in my locality. The Act addresses the monopolization of markets by single and multiple players. According to the Act, " every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce" is prohibited (Choi 2007, p 54). In my locality, the Sherman Act is upheld considering the fact that no businesses engage in hoarding or price manipulation in collaboration with other players.

Business law, ethics antitrust and monopoly, are particularly important terms in the business world, they are closely linked in business practice. A business is ethically responsible if in one way or another if it breaks the antitrust laws. It is also legally responsible for its actions. For a market or a business to be run in a competitive way, business ethics and laws should be firmly adhered

to.

#### References

Armentano, D., & Brozen, Y. (1996) Antitrust and Monopoly: Independent Studies in Political Economy. University of Virginia: Independent Institute.

Choi, J. (2007). Recent Developments in Antitrust: Theory and Evidence. The MIT Press.

Halbert, T. & Ingulli, E. (1990) Law and Ethics in the Business Environment. St. Paul, MN: West Pub. Co.