

Business law

Law



Business law relates to the part of the law that governs business transactions. It covers areas like sales of goods, letters of credit, leases of goods and warehouse receipts. In the event of a dispute the relevant law will be enforced between the warring parties. Business ethics on the other hand relates to the ethical questions of what is right or wrong in a business relationship. It may question whether it is ethical to employ underage children to work in a factory and pay them very low wages because they will not complain.

A lot of the times business law does not take ethics into consideration. It is dogmatic in its approach to issues. It may decide to stick to rules governing salary increases while ignoring the situation on the ground. For example a collective bargaining agreement between parties may call for salary reviews every three years. In the intervening period the cost of living may shoot up such that the salaries offered barely cater for ones living expenses. The company can hold out against the union for higher wages because of the agreement.

The action is legal but not ethical because the worker is bound by the agreement to wait for three years before getting a salary increase but at the same time can barely feed himself. Ethics question the employing of underage children in sweat shops. It is considered exploitative and unjust. However the law of the land may allow for children to work at a lower age than those in developed country. Ethics will ignore some of the facts on the ground. The parents of the child may have succumbed to terminal diseases and the grandparents could be too old to work.

The only option for the children is to work otherwise they starve. The only real ethical issue in this case would be the wage paid. If the company pays a fair days wage then the employment is justifiable from a common sense of view. In other cases, it is unfair that ' goods once sold cannot be returned'. The rule of ' caveat emptor' means that a buyer can lose his money if the good purchased does not meet one's expectations. Spare parts for electrical goods tend not to have a guarantee.

Thus when the part fails to work your investment is lost. If the seller was unscrupulous and sold faulty goods on purpose so as to reap a greater profit, then there is nothing one can do to him unless they can prove he knowingly sold bad goods. Business law should guide the operation of businesses and business ethics should give a human face to the operation. Whenever a conflict arises the ideal situation is for the both aspects to be used. If the law is tempered with an ethical aspect then the end result would be deemed to be fair.

However when the law operates on its own the aggrieved party will end up feeling cheated as the ruling in the case of say spare parts for electrical goods will not favor him. Further, law tends to be very conservative in nature. The changes do not take place as fast as those of society. Thus while it may be unethical to pay men more than women yet they are performing the same job, the laws stipulating equal pay for both sexes may take longer in coming than the social ethics that consider unequal pay between sexes as illegal.

In business law, there is the need for better laws to take care of technological advances. Similarly, changing perceptions in society make it

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ridiculous to stick to old rules and regulations. The banning of any headdress for schoolchildren may have been formulated in a Christian setting to keep out other religious influences. Thus a social ethic gave birth to a law but today the same law is considered ethically wrong in a cosmopolitan community where people from different social and religious backgrounds interact on a daily basis.