

Assignment 4.2: course projectbusiness crimes, business torts, and product liabil...

[Business](#)



Business Legal Environment Business Crimes Business crimes vary from white collar scandals to embezzlement of funds or business property in terms of assets. Therefore, any undertaking by an entity or by an individual in the business world that is illegal be it tax fraud, price fixing, insider trading, or product contamination is what we call a business crime. However, with an evolving business world white collar crimes have become rampant with large companies such as World Com, Enron, and Adelphia being caught in the act. This rise led to the passing of the White Collar Criminal Penalty Enhancement Act of 2002 so as to curb the alarming rate at which these crimes used to occur. Therefore, if a financial document is certified by a prominent individual in a position of authority with his or her knowledge of falsehood then he or she is liable to being charged with a criminal offence (Jennings, 2010).

Torts

A civil intentional or accidental wrong that results to injury occurring is what we refer to as tort. Therefore, it includes all cases involving negligence not forgetting intentional wrongs where harm results. With this in mind, the law of tort had to be formulated to protect the interest of individuals who are harmed by a certain wrong. For example, individuals harmed from battery, assault, infliction of emotional distress intentionally, or false imprisonment is protected by intentional tort (Jennings, 2010). Although one can argue that a tort is similar to criminal laws, a fine line differentiates the two since for a tort one asks to be compensated for a given harm they underwent. For negligence, this can be well describe by a scenario where a business owner hires an employee without a good background check and from such this

employee does something that hurts the children or customers, the business owner is liable to being charged for negligence and thus responsible for compensating the customers who were harmed by this employee.

Product Liability

To protect buyers from being manipulated by sellers in respect to product performance the federal government saw the need for formulating the Federal Trade Commission (FTC) Acts and the Food and Drug Administration (FDA). It therefore protects customers from deceptive and unfair trade practices thus regulating advertising and false promotion of goods. From such the common law that underlined the product liability stating that any manufacturing errors, design defects, lack of warnings or unclear instructions that lead to danger, packaging, or handling that result to a buyer getting hurt. All this is ensured by standard act of the Restatement (Second) of Torts found in section 402A (Jennings, 2010). Therefore, it is wise to accept that product liability comes into play when improper handling of goods results to the final consumer of such a product coming into harm's way from using that product.

Bibliography

Jennings, M., Marianne, (2010). Foundations of the Legal Environment of Business. Available at