

Essentials for business law assignment

[Business](#), [Management](#)



Essentials for Business Law During our Essentials for Business Law class with Professor Hagen, we learned about Contract Law, Credit and Antitrust Law and Ethical theories such as Demonology, Utilitarianism, and Ethical Egoism. Within the laws listed above, there are different subsidiaries that coincide with the formation of these laws and how they are enforced. Through the Contract Law, there are different elements of a contract, genuineness of assent, fraud, duty to disclose in a contract, discriminate by a minor, and good faith.

Through the Credit and Antitrust Law, there is credit insurance; the Clayton act 3, Tying Contract, Sherman Act 1, and Restraint of Trade that help form these laws. Throughout this paper, you will gain a better understanding of what each law is and the topics listed above and the ethical theories that exist in Business Law. Part I-A “ A contract is a legally-enforceable promise or set of promises made by one party to another” (Wisped). There are various types of contract that are categorized based on the legal distinctions such as formation, performance, and enforceability.

The formation of a contract is necessary to the society we live in today and has played an important role is helping those that form agreements and promises that are legally binding to come to fair terms within forming the agreements and promises. “ Contract Law deals with the formation and keeping of promises” (Miller). Contract Law also helps those that create agreements and promises to come to terms with breaking certain types of promises. For example, two people enter into a legally-binding agreement, and party A agrees to sell a book for \$45 dollars to party B. Party A later changes his mind and wants to sell the book for \$65 dollars.

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In this situation, Contract Law helps these two determine whether the agreement is still enforceable or can be broken due to the change in price. When forming a contract, there are elements that need to present to make the contract enforceable and valid. The requirements of a valid contract include: an agreement, consideration, contractual capacity, and legality. There are two parts to an agreement in a contract which are an offer and an acceptance. To enter into a legal entity, one party must offer something and the other party must agree to the terms of the offer.

Consideration is what induces any party to enter into a contract such as a promise in exchange for something of value (The University of Mexico). When taking the contract into consideration, any promises that are made by a party must be legally sufficient to be supported. In order for the two parties that are entering into the contract, contractual capacity must exist for them to do so. “ The law must recognize them as possessing characteristics that qualify them as competent parties” (Miller). In order for legality to exist in a contract, it must exhibit that there is a legal goal that the contract is trying to accomplish.

Although all four of these elements may exist in a contract, it still may be unenforceable if the following requirements are not met: genuineness of assent, or voluntary consent, and must be in whatever form the law requires. In law Genuineness of assent is the requirement in the making of contract between two parties. Each party needs to assent to the contract to make it genuine. If one part of the party does not voluntarily consent of the agreement of the contract, then there is Genuineness of Consent, it is often

called " Meeting of the minds. The meeting of the minds means that both parties have to be fully competent and knowledgeable of the contract, and both parties have to be in full agreement of the contract terms/or promise in force. Genuineness of assent or voluntary consent may be lacking in a contract because of various things such as a mistake, misrepresentation, undue influence, or duress which means that there was no consent on both parts of the parties. " In criminal law, fraud is intentional deception made for personal gain or to damage another individual; the related adjective is fraudulent, and verb is defraud.

Fraud is a crime and a civil tort at common law, though the specific criminal law definition varies by legal jurisdiction. Defrauding people or entities of money or valuables is a common purpose of fraud" (Wisped). Fraud can not only effects the innocent party whom the fraud is being committed against, but it also effects the party that is committing the fraud. When an innocent person is fraudulently induced to enter into a contract, the contract usually can be avoided because he or she has not voluntarily and be restored to his or her original position or enforce the contract ND seek damages for injuries resulting from the fraud.

Fraud involves three elements: a misrepresentation of a material fact must occur, there must be an intent to deceive, and the innocent party must Justifiable rely on the misrepresentation. Also fraud can occur through the online internet which may be more common in today's society. The three elements described above is also needed in order to prove that fraudulent activity has occurred. A misrepresentation must occur through words or

actions, and an action of fraud may be to conceal information from the contract that the other party may need to know. In U. S. Gal procedure, each party too lawsuit has the duty to disclose certain information, such as the names and addresses of witnesses, and copies of any documents that it intends to use as evidence, to the opposing party. This duty is subject to certain exceptions, as outlined in the Federal Rules of Civil Procedure; furthermore, the rules applicable in state courts vary from state to state” (Wisped). A minor is considered to be an unmarried person under the age of 18 by definition in the United States. “ Disappearance is the legal avoidance, or setting aside, of a contractual obligation” (Miller).

To disarmer, a minor must express his or her intent, through words or conduct, not to be bound by a contract. The minor must disarmer the entire contract, not merely a portion of it. For example, the minor cannot decide to keep part of the goods purchased under a contract and return the remaining goods. “ Discriminate – it must be timely. For example, a contract that goes beyond two years of reaching the age of majority would be considered ratified. Minors are still allowed to disarmer, even if their age is misrepresented.

They will not face tort violations. Some states don’t allow discriminate if the consideration cannot be returned” (Wisped). Good faith means honesty in fact. In the case off merchant, it means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade. In other words, merchants are held to a higher standard of performance or duty than non-merchants. “ Good faith is an abstract and comprehensive term that

encompasses a sincere belief or motive without any malice or the desire to defraud others.

It derives from the translation of the Latin term bona sales contract within the USC have obligations of good faith. These obligations can form the basis for a suit for breach of contract later on. Part I-B (CREDIT INSURANCE) Credit Laws arise under both state and federal regulations governing interest, finance charges, cash advances, charges for extensions of credit in excess of pre-established limits, late fees or delinquency charges, premiums on credit life and credit accident and health insurance, annual fees and other charges and fees, and many others.

If a business grants credit to customers, it must comply with federal laws affecting credit sales to consumers, as well as state laws in whichever Jurisdiction it is operating. Federal credit laws include the Truth in Lending Act (TILL), the Fair Credit Billing Act (FACE), the Equal Credit Opportunity Act, the Fair Credit Reporting Act (FACE), and the Fair Debt Collection Practices Act (FDA). The Clayton Act was aimed at specific anti-competitive or monopolistic practices that the Sherman Act did not cover. In 1914, Congress attempted to strengthen federal antitrust laws by enacting the Clayton Act (Miller).

There are four different forms of behavior that are intertwined with the Clayton Law which are cleared illegal but are not criminal. In section three of the Act, sellers or lessons cannot sell or lease goods “ on the condition, agreement or understanding that the purchaser or lessee therefore shall not use or deal in the goods of a competitor or competitors of the seller” (Miller).

Section three prevents both vertical agreements involving exclusionary practices-exclusive dealing contracts and tying arrangements.

Exclusive-dealing contract is “ an agreement under which a seller forbids a buyer to purchase products from the seller’s competitors” (Miller). A seller is prohibited from asking an exclusive-dealing contract under Section three if the effect of the contract is “ to substantially lessen competition or tend to create a monopoly” (Miller). When a seller conditions the sale of a product (the tying product) on the buyer’s arrangement to purchase another product (the tied product) produced or distributed by the same seller, a tying arrangement, result.

The purpose of the arrangement and its likely effect on competition in the relevant markets is what makes the tie-in arrangement legal. Tying arrangements can be considered agreements that restrain in violation of Section 1 of the Sherman Act. Cases involving tying arrangements of services have been brought under Section 1 of the Sherman Act. (ADD MORE) The Sherman Act of 1890 is an act to protect trade and commerce against unlawful restraints and monopolies. Today, it remains one of the governments most powerful acts to maintain the effort to maintain a competitive economy.

In Section 1 of The Sherman Act, there is an assumption that society’s well being is harmed if rival firms are permitted to join in an agreement that consolidated their market power or otherwise restraints competition. There are two restraints involved in the section 1 of the Sherman Act which are horizontal and vertical restrains. A Horizontal restraint is any agreement that

in some way restraints competition between rival firms competing in the same market. A Vertical restraint is any restraint on trade created by agreements between firms at different levels in the manufacturing and distribution process.

Restrain of Trade Part II Demonology is the ethical theory concerned with duties and rights. “ Deontological ethical position that Judges the morality of an action based on the action’s adherence o a rule or rules. [1] It is sometimes described as “ duty” or “ obligation” or “ rule” – based ethics, because rules “ bind you to your duty”(Wailed). Utilitarianism is a theory in normative ethics holding that the proper course of action is the one that maximizes utility, usually defined as maximizing happiness and reducing suffering.

Classic utilitarianism’s two most influential contributors are Jeremy Beneath and John Stuart Mill. John Stuart Mill in his book Utilitarianism, stated, “ In the golden rule of Jesus of Nazareth, we read the complete spirit of the ethics of utility. To do as one would be done by, and to love one’s neighbor as oneself, constitute the ideal perfection of utilitarian morality. ” According to Beneath and Mill, utilitarianism is hedonistic only when the result of an action has no decidedly negative impact on others. L] It is now generally taken to be a form of consequentiality, although when Enskonce first introduced that term it was to distinguish between “ old-fashioned utilitarianism” and consequentiality. [2] In utilitarianism, the moral worth of an action is determined only by its resulting outcome, although there is debate over how such consideration should be given to actual consequences, foreseen

consequences and intended consequences. In A Fragment on Government, Beneath says, “ it is the greatest happiness of the greatest number that is the measure of right and wrong”[3] and describes this as a fundamental axiom.

In An Introduction to the Principles of Morals and Legislation, he talks of “ the principle of utility” but later prefers “ the greatest happiness (Helipad)

Ethical egoism is the normative ethical position that moral agents ought to do what is in their own self- interest. It differs from psychological egoism, which claims that people can only act in their self-interest. Ethical egoism also differs from rational egoism, which holds that it is rational to act in one’s self-interest. [1]. Ethical egoism contrasts with ethical altruism, which holds that moral agents have an obligation to help others.

Egoism and altruism both contrast with ethical utilitarianism, which holds that a moral agent should treat one’s self (also known as the subject) with no higher regard than one has for others (as egoism does, by elevating self-interests and “ the self” to a status tot granted to others). But it also holds that one should not (as altruism does) sacrifice one’s own interests to help others’ interests, so long as one’s own interests (I. E. One’s own desires or well-being) are substantially equivalent to the others’ interests and well-being.

Egoism, utilitarianism, and altruism are all forms of consequentiality, but egoism and altruism contrast with utilitarianism, in that egoism and altruism are both agent-focused forms of consequentiality (I. E. Subject- focused or subjective). However, utilitarianism is held to be agent-neutral (I. E.

Objective and impartial): it does not treat the subject's (I. E. The self's, I. E. The moral " agent's") own interests as being more or less important than the interests, desires, or well-being of others.

Ethical egoism does not, however, require moral agents to harm the interests and well-being of others when making moral deliberation; e. G. What is in an agent's self-interest may be incidentally detrimental, beneficial, or neutral in its effect on others. Individualism allows for others' interest and well-being to be disregarded or not, as long as what is chosen is efficacious in satisfying the self- interest of the agent. Nor does ethical egoism necessarily entail that, in pursuing fulfillment of short-term desires may prove detrimental to the self.

Fleeting pleasure, then, takes a back seat to protracted dominance. In the words of James Reaches, " Ethical egoism endorses selfishness, but it doesn't endorse foolishness. "[2] (Wisped). Part III In the hypothetical situation between Bob and Sammy, Sammy is having a garage sale and is selling some old baseball items for 25 cents each. One item is a baseball that was signed by Babe Ruth. Bob knows who Babe Ruth is and asks Sammy how much he wants for the ball. Sammy says 25 cents, and Bob gives Sammy the quarter and walks off.

This situation is relevant to the law discussed in part I A because there is a contract between the both of them. As stated above, a Contract Law deals with the formation and keeping of promises and Sammy kept his promise of selling the ball for 25 cents and Bob kept his promise of paying Sammy properly. In this situation, the three elements of a contract exists. An

agreement, consideration, contractual capacity, and legality. Sammy offered the ball for 25 cents and Bob accepted the offer (The agreement).

The baseball being signed by Babe Ruth was the product being offered which is why Bob decided to buy the ball (Consideration), and both parties were competent by law (contractual capacity and legality). The essential facts of the hypothetical situation is that Sammy was having a garage sale and labeled the items in the small open box as 25 cents each. Also, the ball was signed by Babe Ruth and Bob asked Sammy again how much he wanted for the ball and he pointed at the labeled sticky note. The parties that may be affected by the decision to sell the ball at 25 cents are both Bob and Sammy and possibly Sammy father.

The personal and work-related values pertaining to the particular facts listed above would be Integrity, Promise Keeping, Citizenship, Fairness, and Honesty. The alternative actions that could be taken would be for Bob to tell Sammy that the ball was signed by Babe Ruth a famous major league baseball player and advise him to give it back to his father. Another alternative would be for Bob to tell Sammy that the ball was signed by Babe Ruth and pay him more for the ball than the original listing of the price. The stakeholder that is more important would be Sammy father.

He is the most important because he may be unaware that his son is having a garage sale with the things that he found in his attic. I believe that it is safe to assume that because Sammy did not know that the ball was signed by Babe Ruth and does not know the real worth of the ball, that he and his father did not sort through the things that Sammy is selling at his garage

sale. Sammy father may have not wanted that ball to be sold because it was a keepsake from an important event or favorite past time in his life.