

Laws that affecting business assignment

Law



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Conclusion| 14| Introduction: In the present world business plays an
important role in every sphere of life.

Business determines one's life style, standard of living, education and even cultural standard. So to lead a better life we need to understand business and study business. Business is dynamic – always changing. Coping with both predictable and unpredictable events can be easier, more efficient, and less traumatic if we understand business. Study of business will help us to understand that today national economies are no more independent entities rather interdependent and taking an uniform global shape, economic depression in U. S. A. as an impact on the whole world, business and global warming are not different issues, war in Iraq or Afghanistan has some kind of link with business, China becoming a factor in the world economy because of excellent business skill and the system known as “ Free Enterprise”.

However the road to success will be easier for those who understand how business works. As business is an indispensable part of life there should have some rules and regulations to control and operate it in a disciplined way. In order to do so business laws have been introduced.

And in the present world business firms must operate within the boundaries of laws and government regulation. Laws have been developed not only to

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protect consumers but also to preserve competition. Government agencies enforce these laws at different administrative levels. Business firms that do not comply with the laws face fines, penalties and in consequences fail to run. So, knowing business laws are very important to operate a business.

Definition of Business: Business is nothing new in human society from time immemorial Business is a part of our social life in different forms.

Presence of business proves that we are dependent on each other and with the passes of time this dependency is increasing. At the early stage people was engaged in exchange of goods without using money which was called barter. Over the years many things have changed, money has been introduced as medium of exchange and through lots of forms businesses are now in the present forms. Today business means exchange of goods, services or money for mutual benefit or profit. **Definition of Law:** Law is a system of rules usually enforced through a set of institutions.

It shapes politics, economics and society in numerous ways and serves as a primary social mediator of relations between people. In other words law can be defined as “ A standard or rule established by the society to govern the behavior of its members. **Definition of business Law:** Business Law is the body of law that governs business and commercial transactions. In today’s complicated business world in order to operate and control a business Laws are must. So, the part of law deals with businesses to keep businesses running in a disciplined way as all the parties related o businesses get protection as well as feel responsible in their respective positions is known as business law. **Sources of Business Law:** Laws are basically derived from three major sources those are: 1. Common Law 2. Statutory Law 3. Administrative <https://assignbuster.com/laws-that-affecting-business-assignment/>

Law 1. Common Law: The body of law created by judges through their court decisions is known as common law. Common laws are basically based on custom, usage and court rulings of early England. 2. Statutory Law: A law created by parliament, constitution, law commission or treaty is called statute.

Most laws created today are statutes. Together the laws enacted by various legislative bodies make up statutory law. A statute must be drawn up in a precise manner to be constitutional. However, courts often must interpret a law's meaning. Courts decisions sometimes lead to statutes being changed, clarified or even dismissed entirely. 3. Administrative Law Laws concerned with the powers and functions of the executive branch of the government, its organizations, their inter-relations with each other, citizens and the non-governmental entities.

The intention of administrative law is to provide for a legal framework for regulating the powers, procedures and acts of public administration.

Different Laws Affecting Business: Numerous and varied laws regulate the activities of all businesses and everyone involved in business, from owner to manager to employee. Some major business law categories are as follows: 1. The Law of Torts 2. The Law of contracts 3. The Law of Sales 4. The Law of Agency 5. The Law of property 6. The Law of Bankruptcy 7. The Law of Negotiable Instrument 1. The Law of Torts:

While criminal law deals with crimes against society of the state, tort law is concerned with compensating the victims of noncriminal wrongs. Tort is a noncriminal injury to other persons or their property or reputation. There are

two types of torts: a) Intentional Torts b) Negligence Torts a) Intentional Torts: Intentional torts are deliberate acts by a person or business firm. b) Negligence Torts: A tort results from negligence when one party fails to exercise reasonable care and causes injury to another. Negligence torts arise from carelessness rather than intentional behavior.

Product liability is an important part of tort law. Product liability involves the responsibility of business firms for negligence in design, manufacture, sale, and operation of their products. The Business action examines some product liability cases in the tobacco industry. In certain instances, product liability laws have been expanded to cases in which the producer or marketer of the product is not proved negligent. Under strict product liability, the manufacturer is responsible if the injured party can show that the product was defective, that the defect caused the injury and that the defect caused the product to be dangerous. . The law of Contract: A contract is a legally enforceable, voluntary agreement between two or more parties. A contract is like private statute, in which the parties define the consideration they owe each other. Contracts are generally part of most business transactions. They can be either express or implied. An express contract is one in which the words are actually put forth. Either orally or in writing. Generally, oral contracts are just as legally enforceable as written contracts. Essential Elements or Feature of Contract: * Plurality of member Offer and acceptance * Intention to establish legal relationship * Lawful consideration * Lawful objective * Capacity to contract * Free consent * Certainty * Possibility of performance Types of Contract: * Valid contract * Void contract * Voidable contract * Un-enforceable contract * Expressed contract * Implied contract *

Unilateral contract * Bilateral contract * Executed contract 3. Law of Sales: Sales law, which grew out of contract law, involves products sold for money or credit. Sales agreements are contracts subject to the requirements discussed above.

Article 2 of the uniform commercial code provides that some sales contracts are binding even if all the requirements for a contract are not met. For instance, a sales agreement is legally binding even if the selling price is left out of the agreement; the buyer must pay the reasonable value of the goods. Article 2 also establishes the law of warranty for sales transactions. 4. The Law of Agency: An agency is a business relationship in which a principal appoints an agent to act on his or her behalf. The actions of the agent, authorized by the principal, are legally recognized as though they were performed by the principal.

For example , a talent agent can enter into a contract for a client as though the client signed the contract him or herself. Agents are used in many diverse industries, including insurance, sports, entertainment, and real estate. Generally, agents are paid a fee or commission for their services. Because the principal is bound by the actions of the agent, it is important to put the agency agreement in writing. Generally, a legal document called a power of attorney is granted to authorize the agent to act on behalf of the principal. 5. The law of Property:

Anything that can be owned is considered property. Property is something for which a person or business entity has unrestricted of possession or use. There are several categories of property. Real property is real estate, land,

and anything permanently attached to it, such as houses, buildings, and parking lots. Tangible personal property means physical items such as a store's inventory of goods, equipment, and automobiles. Intangible personal property is that shown by documents or other written instruments, such as cheques money orders, receipts, stocks and bonds.

Three forms of intangible personal property provide legal protection for individuals or business firms. A trademark is a name or symbol registered with the patent and trademark office. It guarantees the owner exclusive rights for certain years (varies country to country) and can be renewed as many times as the owner wishes. Patents granted by the patent and trademark office give inventors the exclusive right to make, use, or sell their product for certain years (varies country to country). A copyright filled with the copyright office, gives the creator exclusive right to publish and sell an original written works. . The law of Bankruptcy: Bankruptcy is a legal procedure for individuals and firms that cannot pay their debts. By declaring bankruptcy, the individual or firm asks the court to be declares unable to satisfy creditors and to be released from financial obligations. The debtor's assets are usually sold to pay off as much of the debt as possible. 7. The law of Negotiable instruments: A negotiable instrument is a substitute for money. It is a written promise to pay a specified sum of money; if can be transferred from one person or business firm to another.

There are three types of negotiable instrument: * Cheque * Bill of exchange * Promissory note A negotiable instrument must meet the following requirements: * They must be writing and signed by the maker or drawer. * They must contain an unconditional promise to pay a certain sum of money.

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* They must be payable on demand or at a specific date. * They must be payable to a specific person or business firm or the bearer. The payee must endorse a negotiable instrument before it is transferred. An endorsement is a person's signature on the back of a negotiable instrument.

A blank endorsement is accomplished when the payee signs the back of the instrument. Using the words for deposit only along with the signature constitutes a restrictive endorsement; it states what the instrument is for and is much safer than a blank endorsement. A special endorsement specifies to whom the instrument is payable by including the person's or firm's name on the back of the instrument along with the signature.

Restrictive and special endorsements protect the negotiable instrument should it be lost or stolen.

Finally, a qualified endorsement- usually the words without recourse- means the person who originally signed the instrument, not the endorser, is responsible for payment. The endorser does not guarantee payment if the instrument is not backed by sufficient funds. Followings are the laws enacted in Bangladesh and regulating business activities of the country. Most of the laws have their roots in the British colonial period. a) Laws regarding commerce in Bangladesh: 1. The Contract Act-1872 2. The Sale of Goods Act-1930 3. The Partnership Act-1932 4.

The Negotiable Instrument Act-1881 5. The Company Act-1994 6. The Carriage of Goods Act * The Common Carriage Act-1865 * The Railway Carriage Act-1890 * The Carriage of Goods by Sea Act-1925 * The Carriage by Air Act-1934 7. The Insurance Act-1938 8. The Insolvency Act-1997 b)

Laws regarding Industry In Bangladesh: 1. Laws Based on Types of Work: * The Factories Act-1965 * The Mines Act-1932 * The Mines Labor Act-1934 2. Laws Regarding Wages: * The Payment of Wages Act-1936 * The Minimum Wages Ordinance- 1936 * The Provident Fund Act-1925 3. Laws Regarding Industrial Relation: The Industrial Relations Ordinance-1969 * The Industrial Relations (Amendment) Ordinance-1989 4. Laws Regarding Social Protections: * The Workmen’s Compensation Act-1923 * The Employers Liabilities Act-1938 * The Workmen’s security Act-1934 5. Laws Regarding Employment Condition: * The Employment of Labor (Standing Order) Act-1963 * The Shops and Establishment Act-1965 6. Laws Regarding Child Labor: * The Child Labor Appointment Act-1938 * The Child Labor Prohibition Act-1930 Recently a new law has been passed in our country which is known as Bangladesh Labor Law-2006.

Conclusion: Thus we see that laws are affecting business in numerous ways. Laws protect the business men as well as the customers which is essential to have a good relation between these two parties otherwise business firms will not run. Laws are necessary to incorporate a business firm, to run a business firm and to dissolve it. It should be mentioned that in this assignment only the major laws from international perspective that are affecting business have been discussed shortly and only a list of the laws that are applicable in field of business in Bangladesh has presented.