

# Business law: the good, the bad, and the ugly

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Appropriate legal Parameter BA 381 5/17 Appropriate legal Parameter Legal Environment of Business involves the fundamental regulatory legal and policy parameters that define, encourage, promote, and limit business activities. In this case, it covers an evaluation of how the legal framework of a given country regulated activities around business enterprises so as to help achieve individuals' and states' goals. These parameters have been put in place to establish boundaries within which legal entities operate. And as such, business owners are supposed to equip themselves with knowledge on policies and laws that govern a given area.

An Appropriate legal parameter is that one the government adopts in order to primarily protect business enterprises. These laws are formulated to make sure that the interests of each firm are taken into consideration. This means that the laws are not a disguise to frustrate business organizations and to inappropriately infringe the rights of companies. It is important to note that the main aim of a business is to earn profit. In order to maximize the profit, entities have to keep on investing and expanding their entities. In this case, appropriate legal parameters are the ones that encourage investors to keep on investing in a particular country. These laws that are considered to be appropriate to business should be enacted to achieve common goals for the business. They include those that protect the business from unfair competition from other counties. As such, the government should pass laws that limit the amount of import of a certain commodity that is mostly manufactured locally. In addition, these appropriate parameters should shield companies from unfair tax regime and other levies charged on businesses. Still, appropriate laws need to lower interest rates so that business can access credit facilities for expansion. By doing this, the state

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will be encouraging existing investors to expand and probably more and more will come. Lastly, the government should ensure that all laws are properly engineered to ensure that incidences of political instability do not happen. Notably, government instability is a main cause of low investment in a given country.

Good laws are those that are enacted for the common good of the largest group of individuals. In this case, majority of the governed should find the law favorable and the one that will solve most of their problems. In terms of business organization, good laws should work to protect their investment interest. It should reduce taxation and simplify the documentation procedure of operating a business. In addition, it should protect the entrepreneur from fraudulent deals and so forth. Another good law is the one that protects the local currencies from inflation. In this case, importers of raw materials and other goods of trade are protected from the effect of expensive foreign currencies.

Bad laws are those that are less popular among the governed. If the majority of the people do not agree with the law and does not obey or contribute to its enforcement is a bad law. In terms of business, bad laws are unpopular as all what they do is to increase corporate tax, makes documentation procedure laborious and frustrate the business community. However, some laws that increase tax can be beneficial to the local companies. For example, a law that increases tax on imports is good for the local companies as they will be protected from superior competition.

Values that are characteristics of good laws include fairness, equity and predictability. In this case, all laws that are moved by the government should help in enabling equity and fairness. In addition, it should never take the

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governed by surprise. They should be able to discuss its applicability without being imposed to them. If the law fails to meet these criteria, then it is a bad law, Pathak (2008).

The legal environment of business refers to the code of conduct that defines the legal boundaries for business activity. To understand these boundaries, it is essential to first have a basic understanding of the law and how it affects businesses and business practices. The nature of business spans over a number of legal realms, all of which are continuously influenced by the needs and demands of the business community, consumers, and the government. Each has a distinct stake and voice in this vibrant legal environment. The legal environment of business refers to the code of conduct that defines the legal boundaries for business activity. To understand these boundaries, it is essential to first have a basic understanding of the law and how it affects businesses and business practices. The nature of business spans over a number of legal realms, all of which are continuously influenced by the needs and demands of the business community, consumers, and the government. The legal environment of business refers to the code of conduct that defines the legal boundaries for business activity. To understand these boundaries, it is essential to first have a basic understanding of the law and how it affects businesses and business practices. The nature of business spans over a number of legal realms, all of which are continuously influenced by the needs and demands of the business community, consumers, and the government. The legal environment of business refers to the code of conduct that defines the legal boundaries for business activity. To understand these boundaries, it is essential to first have a basic understanding of the law and how it affects

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Pathak, R., (2008). Company Law: 2nd Ed. New Delhi: Atlantic Publishers & Dist