**Introduction To Business Law**

Law is essential to any society in that it provides the rules by which people and businesses interact. Law affects almost every function and area of business.The authors of one business law text go so far as to say that “ the difference between winning and losing in the business world often depends upon the ability to make good choices from a legal perspective.” This is because almost every business decision has legal repercussions**, including** :

\_ deciding whether to incorporate a business,

\_ obtaining financing,

\_ protecting proprietary knowledge used to develop products/services,\_

\_ entering into contracts to purchase Raw materials,

\_ensuring that products meet safety standards,

\_disposing of plant wastes,

\_ promoting and pricing products/services,

\_entering into contracts to sell products/services,

\_ providing product warranties and aftersales service.

**Definition and Purpose of Law**

The word “law” is generally associated with the word “rules.”, we provide a simple definition of law as

a rule that can be enforced by the courts.”

Similarly, “**Yates”** defines law as

“the body of rules that can be enforced by the courts or by other government agencies.”

and there is other definition of law as

“a set of rules and principles intended to guide conduct in society, primarily by protecting persons and their property. facilitating personal and commercial interactions , and providing mechanisms for dispute recognition.”

With these definitions in mind, business law could be defined as rules that govern business relationships. DuPlessis and O’Byrne suggest that business law performs many functions, including:

* Defining general rules of commerce .
* Protecting business ideas and business assets.
* Providing mechanisms that allow business people to determine how they will

participate in business ventures and how much risk they will bear .

* Ensuring that losses are borne by those responsible for causing them
* Facilitating planning by ensuring that commitments are honoured.

**Business Law versus Business Ethics**

While staying within the confines of an increasing array of business laws is necessary for success in business, it is not sufficient. Businesses must also recognize additional limitations and expectations placed upon them by business ethics, those principles and values that define what is right and wrong. While ethical principles normally start with what is legal, they often impose a higher standard that recognizes a multitude of stakeholders beyond just suppliers,customers, and employees.

« To succeed in life, you need two things : ignorance and confidence. »

Mark twain