

# **BUSINESS LAW**

## **CHAPTER 1**

“Ethics and the Law”

# Morality and Ethics

- ▣ Morality – the values that govern a society's attitude toward right and wrong. (social values)
- ▣ Ethics – attempts to develop the means for determining what those values should be (rules for keeping the values)

# Ways Ethical Decisions Are Made

## ▣ Feelings and Opinions

## ▣ The Greatest Good

- The greatest number of people affected by the action
- The more good that results, the more ethical the action
- The more bad the results, the less ethical the action

## ▣ The Golden Rule

- “Do unto others as you would have them do unto you”
- Put yourself in the other person’s position

# LAW and Sources

## ▣ LAW –

- ▣ Consists of rules of conduct established by the government of a society to maintain stability and justice in that society.
- ▣ Provides a means of enforcing these rights and duties through law enforcement agencies, courts legislatures and regulatory agencies.
- ▣ Give the power to punish people for doing things that are wrong.

# LAW and Sources

## ▣ LAW –

- ▣ Is made by the people
  - Not perfect
  - Judges and legislators bring their own personal opinions and their own views on ethics and morality to the lawmaking process (at times ethics and laws will conflict)

# Sources of Law

- ▣ Law comes from different sources:
  - Federal and State Constitutions
  - English Common Law (except in Louisiana)
  - Statutes
  - Court decisions
  - Administrative Law

# Sources of Law

- ▣ Constitution – document which spells out the principles by which that country's government operates
- ▣ Common Law – decision of the early law courts developed in England, based on customs. They are characterized by the practice of deciding cases on precedent.
- ▣ US Constitution – sets forth the fundamental rights of citizens, defines limits for federal and state governments to pass laws within.

# Sources of Law

- ▣ Equal Protection Clause – (14th Amendment) – no state shall deprive any person life, liberty or property without due process of the law; nor deny any person within its jurisdiction the equal protection
- ▣ Precedent – when a judge is required to follow an earlier court decision when deciding a case with similar circumstances.
- ▣ Statute – law specifically passed by a governing body created for that purpose. A statute may force you to do something.



# Sources of Law

- ▣ Legislature – body of lawmakers, which has the job of creating or passing statutory law.
- ▣ Unconstitutional – action or law that is no longer valid.
- ▣ Administrative Law – those rules and procedures established by regulatory agencies
  - Administrative Agencies –
    - ▣ Make their own rules
    - ▣ Enforce their rules
    - ▣ Investigate violations of their rules
    - ▣ Decide guilt or innocence of those who violate their rules