

SOURCES OF BUSINESS

LAW

MEANING

- The system of rules which a particular country or community recognizes as regulating the actions of its members.
- Enforceable by the court, regulating the government of state.
- A rule made by a government that states how people may and may not behave in society and in business.

CLASSIFICATION OF SOURCES OF BUSINESS LAW

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|----------------------|----------------------------------|
| • English Common Law | • Merchant Law / Maritime usage. |
| • Equity | • Customs usage |
| • Statute Law | • Case Law. |

ENGLISH COMMON LAW

- Also called Anglo-American law.
- It is based upon judicial decisions and embodied in reports of decided cases.
- Common law is contrasted to the rules applied in English and American court of equity and also to statute law.
- The body of law created by judges and similar quasi-judicial tribunals by virtue of being stated in written opinions.

EQUITY

- Equity is a particular body of law that was developed in the English court of chancery.
- Equity refers to the essence or rules arising from the administration process of justice specifically in those cases where the areas are not adequately covered by statute.
- Eg :- If someone is infringing on a trademark of yours

U can sue them.

STATUTE LAW

Statute law is the law made by parliament it is introduced in Bill and if passed becomes an act.

It governs the legal entities of a city, state, or country by way of consent. Typically, statutes command or prohibit something or declare policy.

Eg:- Traffic violations like running a red light.

MERCHANT LAW

It relates to the obligations and rights of individuals, partners or other parties, such as joint stock companies, involved in commercial transactions.

This law, applies to the rights, relations, and conduct of persons and business engaged in commerce, merchandising, trade and sales.

Eg:- Sale of Goods Act 1930, Companies Act 2013.

CASE LAW

- Case law is law that has been established by following decisions made by judges in earlier cases.
- Law that is based on judicial decisions rather than law based on constitutions, statutes or regulations.
- Case law concerns unique disputes resolved by case using the concrete facts of a case.

CUSTOMS AND USAGES

- Customs and usages established by long use and constantly put into practice become binding on the parties entering into commercial transactions.
- It plays an important role in regulating business transaction.
- When custom is accepted by a court, it becomes a law.