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(Ans. to Q. no. 01)

* Ethics :- Ethics is difficult to define in a precise way. In a general sense, ethics is the code of moral principles and values that governs the behaviors of a person or group with respect to what is right or wrong. Ethics sets standards for what is good or bad in conduct and decision making. Ethics deals with internal values that are a part of corporate culture and shapes decisions concerning social responsibility with respect to the external environment. An ethical issue is present in a situation when the actions of a person or organization may harm or benefit

Others.

According to Wayne Brady, Ethics is the discipline dealing with what is good and bad, or right and wrong, or with moral duty and obligation. Ethics is concerned with right and wrong, good and bad, and virtue and vice.

Ethics refers to the code of conduct that guides an individual in dealing with a situation. It relates to the social roles that influence people to be honest in dealing with the other people.

Ethics can be understood more clearly when compared with behaviours governed by laws and by free choice 5.1 illustrates that human behaviours falls into three categories

That moral behavior produces the greatest good for the greatest numbers. Under this approach, a decision maker is expected to consider the effect of each possible decision on all parties and select the one that optimizes the satisfaction for the greatest numbers of people.

2. Individualism Approach:— The individualism approach contends that acts are moral when they promote the individual's best long-term interests. Individual self-direction is paramount, and external forces that restrict self-direction should be severely limited. Individuals calculate the best-term advantage to themselves as a measure

B. Moral right Approach - The moral right approach asserts that human beings have fundamental rights and liberties that cannot be taken away by an individual's decision. Thus, an ethically correct decision is one that best maintains

the rights of those people affected by it.

Moral rights that could be considered during decision making are:

1. the right of free consent: Individuals are to be treated only as they knowingly and freely consent to be treated.
2. the right of privacy: Individuals can choose to do as they please away from work and have control of information.

3. The right of freedom of conscience.

Individuals may refrain from carrying out any orders that violate their moral or religious norms.

4. The right of free speech: Individual may criticize truthfully the ethics or regularity of actions of others.

5. The right to due process. Individuals have a right to an impartial hearing and fair treatment.

6. The right of life safety. Individuals have a right to live without endangerment or violation of their health and safety.

(Ans to the Q. no. 02)

* Mechanisms for Ethical Management :-

While there are no easy ways to influence behaviors, there are numbers of mechanisms that can help managers create an ethical climate. These mechanisms include top management commitment, codes of ethics, ethics committees, ethics audits, ethics training and ethics hot lines.

1. top management commitment: Managers can demonstrate their commitment by

instituting a variety of the mechanisms discussed below and by setting positive

examples through their own behaviors.

2. code of ethics: A code of ethics the

ethical roles of operation. It is a document

prepared for the purpose of guiding

organization members when they encounter an ethical dilemma.

Codes of conduct specify actions in the workplace and codes of ethics are general guides to decisions about those actions.

B. Ethics Committees: An ethics committee is a group charged with helping to establish policies and resolve major questions involving ethical issues confronting organization members in the course of their work. The committee may also oversee training programs on ethics. Often the committee consists of several individuals from top management and/or the board of directors.

4. Ethics Audits: Some organizations conduct ethics audits, systematic efforts to assess conformance to organizational ethical policies, and understanding of those policies, and identify serious breaches requiring remedial action.

5. Ethics training: Many organizations use ethics training to encourage ethical behavior. Such training may focus exclusively on ethical concerns or may be integrated into training programs that cover a variety of organizational issues.

6. Ethics Hot Lines: An ethics hot line is a special telephone line established to enable employees to bypass the normal

Chain of command in reporting, grievances and serious ethical problems.

The line is usually handled by an executive designated to investigate and help resolve issues that arise as reported. A hot line facilitates the internal handling of problems.

Meaning of law: It is almost universally accepted that for a society to exist and function in an ordered way a set of rules is required to regulate human behavior. Irrespective of whether these rules are laid down in custom or practice or in statute, they constitute a means of regulating and controlling

The activities of individuals and groups, and of enforcing minimum standards of conduct. of law and the business organizations

Business activity	Examples of legal influences
Establishing the organization	Company laws, partnership, business names
Business operations	Employment laws, health and safety laws, contract, agency
Selling output for consumption	Consumer laws, contract, agency

(Ans to the Q. no. 04)

* Explain Contract Act - 1872 :

Definition of contract The modern law of contract is the product of commerce.

Section 2(h) of the Indian Contract Act, 1872 defines a contract as an agreement enforceable by law, that is to say, a contract

is an exchange of promises for the breach of which the law will provide a remedy. As

a means of economic ordering, contract relies on the notion of consensual exchange.

1. more than one party: In any kind of contract there must be more than one party.

One person cannot be treated as both promisor and promisee to a contract. For instance, in

a sale contract one party will be the seller

and another party will be the purchaser.

2. Offer and acceptance: there must be

a lawful offer by one party and a lawful

acceptance of the offer by the other

party or parties. The word lawful means

that offer and acceptance must conform

to the rules relating to such offer and

acceptance as laid down in the contract Act.

B. Creating legal relationship: The parties

coming into an agreement must intend to

create legal relations between them. An

agreement to dine at a friend's house

is not an agreement intended, to create

legal relations, and is not a contract. But

an agreement to buy and sell goods is

an agreement intended.

4. Lawful consideration: Subject to certain exceptions an agreement is legally enforceable only when each of the parties to it gives something and gets something in return.

5. Capacity of the parties: The parties to an agreement must be legally capable of entering into an agreement; otherwise it cannot be enforced by a court of law. The parties must be of the age of majority and of sound mind. When of capacity arises from minority, lunacy, idioy,

6. Free consent: In order to be enforceable, an agreement must be based on the free consent of all the parties. Consent means that the parties must have agreed upon the same thing in the

Some sense.

7. Legality of the object: It is necessary that the parties to an agreement must agree for a lawful object. The object for which the agreement has been entered into must not be illegal, or immoral, or opposed to public policy.

8. Certainty: The terms of agreement must not be vague or uncertain. It must be possible to ascertain the meaning of the agreement, otherwise, it cannot be enforced.

9. possibility of performance: the agreement must be capable of being performed.

A promise to do an important thing contained

10. Not expressly void: the agreement must not have expressly declared to be void, Under the contract Act the following categories of agreement are expressly declared to be void.

11. Writing, registration and legal formalities:

A contract may be oral or in writing.

But in certain special cases the law down the agreement must be in

writing or registered. For example,

writing is required in cases of

lease,

(Ans to the Q. no. 05)

Contract Act 1872

Revocation of an Offer

An offer comes to an end and is no longer

open to acceptance under the following

circumstances:

1. By notice: If the offeror gives notice of revocation to the other party, the offer comes to an end. An offer may be revoked only time before acceptance but not afterwards. The notice of revocation does not take effect until it comes

within the knowledge of the offeree.

2. By lapse of time: Sometimes the proposer/offeree prescribes a time within which the offer or proposal must be

accepted. The offer lapses as soon as the time expires.

3. Offer expires of reasonable time: If no time has been prescribed, the offer lapses after the expiry of a reasonable time. What is reasonable time will depend on the facts and circumstances of the case.

4. By failure of a condition: An offer lapses by the failure of the acceptor to fulfill a condition precedent to acceptance where such a condition has been prescribed.

5. By death or insanity: An offer lapses by the death or insanity of the proposer is the fact of

6. Counter offer: When a counter offer is given, the original offer lapses.

7. By refusal: A proposal once refused is dead and cannot be revived by its subsequent acceptance.

Revocation of an acceptance:-

Section 5 of the contract Act provides that an acceptance can be revoked any time before the acceptance comes to the knowledge of the proposer/offeror but not afterwards.

Example: A proposes, by a letter sent by post, to sell his house to B. B accepts the proposal by a letter sent by post. B may revoke acceptance any time before

the letter reaches A but not afterwards.

The English law on this point is different. Under the English law an acceptance is irrevocable once it is put on course of communication to the offeror.

