

# Meaning of Law

- The word '**Law**' has been derived from the Teutonic word '**Lag**, which means 'definite'.
- On this basis Law can be defined as a definite rule of conduct and human relations. It also means a uniform rule of conduct which is applicable equally to all the people of the State. Law prescribes and regulates general conditions of human activity in the state.
- - “A law is a rule of conduct imposed and enforced by the sovereign.” – **Austin**
- “La“Law is the body of principles recognised and applied by the state in the administration of justice.” – Salmond

# Introduction to Business Law

- Business law encompasses all of the laws that dictate how to form and run a business. This includes all of the laws that govern how to start, buy, manage and close or sell any type of business. Business laws establish the rules that all businesses should follow.
- Business law includes state and federal laws, as well as administrative regulations.

# Business Law Definition

- Business law defines as a branch of law that “regulates relations that originate from conducting economic activities or that are in a close subject or functional relation with such activities.”
- Business Law originated in the **common law system**, particularly the one in the United States of America. By its content, it is a counterpart of the term “commercial law”.

# Business Law of India

- Prior to the enactment of the various Acts constituting Business Law, business transactions were regulated by the personal laws of the parties to the suit.
- The rights of Hindus and Muslims were governed by their respective laws and usages. Where both parties were Hindus, they were regulated by the Hindu Law and where both parties were Muslims, the Mohammadan Law was applied.
- Gradually, the need for the enactment of a uniform law regulating the contracts was realised and this gave birth to the [Indian Contract Act 1872](#)

- The sources of business law in India are generally the English laws which, in turn, have their roots in the following:

- **English Mercantile Law**

The [English Mercantile Law](#) constitutes the foundation on which the super-structure of the Indian Business Law has been built.

- **The Statute Law**

When a Bill is passed by the parliament and signed by the President, it becomes an 'Act' or a 'statute'. The bulk of Indian Business Law is [Statute Law](#).

- The [Indian Contract Act, 1872](#);
- The [Negotiable Instruments Act, 1981](#);
- The [Sale of Goods Act, 1930](#);
- The Indian Partnership Act, 1932;
- The Companies Act, 1956 are instances of statute Law.

- **Judicial Decisions**

[Judicial decisions](#) or case law are usually referred to as precedents and are binding on all courts having jurisdiction lower to that of the court which gave the judgement.

- **Customs and Usages**

[Custom or usage](#) of a particular trade also guides the courts in deciding disputes arising out of mercantile transactions, but such a custom or usage must be widely known, certain any reasonable, and must not be opposed to any legislative enactment.

# Summary

- [Business law](#) encompasses all of the laws that dictate how to form and run a business. This includes all of the laws that govern how to start, buy, manage and close or sell any type of business.

The word '**Law**' has been derived from the Teutonic word '**Lag**, which means '**definite**'. On this basis, Law can be defined as a definite rule of conduct and human relations. It also means a uniform rule of conduct which is applicable equally to all the people of the State.

There are various branches of law like International law, constitutional law, criminal law, civil law, business law or mercantile law.

The main sources of business law in India are [English law](#), [Judicial decisions](#), [Customs and Usages](#) and [Indian statutes](#).