Meaning of Business:

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Human beings are continuously engaged in some activity or other in order to satisfy their unlimited wants. Every day we come across the word 'business' or 'businessman' directly or indirectly. Business has become essential part of modern world.

Business is an economic activity, which is related with continuous and regular production and distribution of goods and services for satisfying human wants.

All of us need food, clothing and shelter. We also have many other household requirements to be satisfied in our daily lives. We met these requirements from the shopkeeper. The shopkeeper gets from wholesaler. The wholesaler gets from manufacturers. The shopkeeper, the wholesaler, the manufacturer are doing business and therefore they are called as Businessman.

Definitions of Business

Stephenson defines business as, "The regular production or purchase and sale of goods undertaken with an objective of earning profit and acquiring wealth through the satisfaction of human wants."

According to Dicksee, "Business refers to a form of activity conducted with an objective of earning profits for the benefit of those on whose behalf the activity is conducted."

Lewis Henry defines business as, "Human activity directed towards producing or acquiring wealth through buying and selling of goods."

Thus, the term business means continuous production and distribution of goods and services with the aim of earning profits under uncertain market conditions.

Features of Business

Characteristics or features of business are discussed in following points :-

1. Exchange of goods and services

All business activities are directly or indirectly concerned with the exchange of goods or services for money or money's worth.

2. Deals in numerous transactions
In business, the exchange of goods and services is a regular feature. A businessman regularly deals in a number of transactions and not just one or two transactions.

3. **Profit is the main Objective**

The business is carried on with the intention of earning a profit. The profit is a reward for the services of a businessman.

4. **Business skills for economic success**

Anyone cannot run a business. To be a good businessman, one needs to have good business qualities and skills. A businessman needs experience and skill to run a business.

5. **Risks and Uncertainties**

Business is subject to risks and uncertainties. Some risks, such as risks of loss due to fire and theft can be insured. There are also uncertainties, such as loss due to change in demand or fall in price cannot be insured and must be borne by the businessman.

6. **Buyer and Seller**

Every business transaction has minimum two parties that is a buyer and a seller. Business is nothing but a contract or an agreement between buyer and seller.

7. **Connected with production**

Business activity may be connected with production of goods or services. In this case, it is called as industrial activity. The industry may be primary or secondary.

8. **Marketing and Distribution of goods**

Business activity may be concerned with marketing or distribution of goods in which case it is called as commercial activity.

9. **Deals in goods and services**

In business there has to be dealings in goods and service.

Goods may be divided into following two categories :-

1. **Consumer goods**: Goods which are used by final consumer for consumption are called consumer goods e.g. T.V., Soaps, etc.
2. **Producer goods**: Goods used by producer for further production are called producers goods e.g. Machinery, equipments, etc. Services are intangible but can be exchanged for value like providing transport, warehousing and insurance services, etc.
10. To Satisfy human wants

The businessman also desires to satisfy human wants through conduct of business. By producing and supplying various commodities, businessmen try to promote consumer's satisfaction.

11. Social obligations

Modern business is service oriented. Modern businessmen are conscious of their social responsibility. Today's business is service-oriented rather than profit-oriented.
**Concept of Business Law:**

Business law has a vital role in creating, developing, conducting, regulating, controlling, enhancing and systematizing the business activities or mercantile activities. Without this law, business activities can't be run smoothly. Hence, the law which establishes good balanced relations between business, business persons, as well as government and maintain peace and good order in the business community is the business law.

**Meaning of Business Law**

Business law is also known as trade law, commercial law, and mercantile law.

Business law is that sort of law which is made for regulating business transaction. This is a rule or set of principles which regulates and control transactions business community.

Various scholars have defined the term business law in their own words.

According to M.C. Kuchhal- Marcantile law is branch of law which comprises laws concerning trade, industry, and commerce.

According to P.C.Tulsan- Mercantile law is a branch of law which deals with the rights and obligations of business persons arising out of business transactions in respect of business property.

In the words of A.K. Sundarm, Business law provides legitimacy, security, control, and incentives to business activities. It also protects rights and interests of consumers, labor, business and society.

**Sources of Business Law:**

The term source means the place from where something emerges. The original place from where business law emerges is called the source of business law.

The commercial law of all the countries don't have the same sources. Depending upon social, economic, political, religious and geographical situation and environment of the country, the source of business law may differ from country to country. The important source of Nepalese business law have been discussed as follows-

1. **Custom and Usages:**

   Custom and usages are the original sources of Nepalese business law. Customs or usages are the outcomes of ancient behaviors pursued by the people in the society. In the beginning, there was lacking of clear cut business law to run business transactions and means of setting disputes arising out of such transaction. Because of this, business persons themselves began to make various rules and policies to handle the transactions and disputes. With the pace of time such rules and policies were developed as custom and
usages. If such customs and usages don't oppose the laws existing in the country, they are used as binding rules by the concerned people. Custom and usages stand as law in the society where there is no law made by the state in the related sector.

2. British Mercantile Law:

British Mercantile law is also a major source of business law of Nepal. Since the Indian industry, trade and commerce were developed during colonial period of British, the Nepalese industry, trade and commerce were not isolated from the influence of the development of trade and commerce in India. India being adjoined to Nepal from three sides with free and open boarder having religious and cultural ties. Since ancient time, it is natural that Indian business law has its impact upon the Nepalese commercial law. A large part of Nepalese business law is found derived from Indian commercial law. Thus, both British mercantile law and Indian commercial law may be regarded as a very big source of Nepalese commercial law today.

3. Judicial decision:

Judicial decision means the decision made by a court on equity basis in the absence of proper law. Whenever an act is silent in relation to a given case, the judge has to decide according to his conscience. Such decision is called as precedent. Once the case decided by the court on equity basis, the same will be treated as law by all lower courts for giving decisions on similar cases in future.

4. Status of legislature:

When a bill is passed by the parliament and is approved by the president, it becomes an act or statute. Parliament is the main place where a number of existing acts are either repealed or amended and many new acts are enacted according to the needs of the country. Law made by legislature is called statute law. A major portion of Nepalese law is statutory today. Contract act, insurance act, banking act, partnership act, company act are the example of statute law.

5. Commentaries, opinions and logical expression:

Writing of the various scholars and opinion of the experts are also most important sources of Nepalese business law. Lawyers and critics, from time to time, usually express their opinions or commentaries in the various aspects of business law through journals, newspapers or books. Such commentaries and opinions may play significant role in creating good legal environment in the country. So, the court while giving judicial decision usually follows these commentaries, opinions and expressions of such critics. Thus, the opinions, commentaries, and logical expressions of the learned critics can also regarded as important source of commercial law.

6. Commercial treaties and agreement:
The commercial treaties and agreements that a country makes with the other countries are the other sources of commercial law, because while enacting laws in any country for the development of her business, the legislation should also think of such treaties and agreements.

**Importance of Business Law:**

It is essential to know about business law before starting a business, as it will help us operate our business without the hindrances of ignorance. Without business law business can't be develop at all. Since the business is the backbone of economic development of any country, it is essential to have an effective business law for the effective transaction of the business activities. In the absence of business law, business community becomes disordered and various crises may arise in the whole business community.

The importance of business law has been discussed below-

1. **To establish and run the business activities.**

   We can't run and establish the business activities if we don't have good knowledge of business law. In the absence of good knowledge of business law, any activities related to business and trade get disturbed and diverse crises may arise in the whole business community.

2. **To maintain peace and order.**

   Business law is the means of to maintain peace and good order in the business community. It gives the big support to the business person to launch business in the disciplined way. Business law regulates, systematizes and controls business activities to stop fear, disorder, confusion, crises and uncertainty in the business world. Peace and order is necessary for the effective running of any business. Business activities flourish only in the peaceful environment. To create good business environment:

3. **To create good business environment.**

   Creation of good business environment is essential to run the business in an effective way. Business law helps in making a good business environment. It brings uniformity and maintains certainty in the business activities. Business law helps to create good business environment in any country. Good environment for business is possible in the business community due to business law.

4. **To develop capital market:**

   Business law helps to develop the capital market. In the absence of business law, development of capital market is not possible. In the lacking of capital, business activities cannot be run. Business law helps in developing the business policy in the national and international level to develop the business.
5. To develop the economy of a country:

Since the business is the backbone of the economic development of any country, business law contributes for the same. Without proper business law, economic development of a country cannot take a good motion. Thus, business law is a weapon of overall development of economy which makes a country economically sound and strong.

6. To settle the disputes:

Sometime disputes may arise while launching business activities. To settle such disputes, business law determines procedures or modalities which the concerned parties should adopt while setting down the disputes. If we have got an effective business law, such disputes can be settled down without entering in the court of law.

7. To create employment and remove poverty.

Business activities are the most to create employment and remove poverty. Business activities can't be run without business law. More and more people should be involved in the business if we want to create employment. Involvement of more people in the business is only possible, if there is effective business law which can give security and establish peace and order in the business community.