


Chapter-4

MAJOR BUSINESS LAWS IN INDIA AND THEIR ECONOMIC IMPACTS

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ABSTRACT

Economics studies the prevalent conditions in the market and guides the formulation production and supply policies which help to prevent the market from crashing down. Business laws, whether established through conventions, agreements, or national and international regulations, govern the interactions between individuals in commercial aspects. This research paper aims to delve into a deeper analysis of the nexus between the two. The sole aim of running a business is to make profit which is impossible without analyzing the market conditions from the eye of an economist. Economics is that field which controls the entire sustainability of a nation. Businesses are regulated by several laws which contribute to the economic output of the nation. The fourth principle of Economics says that 'people respond to incentives' which act as a very crucial factor while taking any decision by a businessman. The person needs to understand the wants of the people in the market, he or she needs to analyze the forces which influence a person's decision. For doing so, knowledge of Economics is an important criterion. In this research paper we will examine various statutes and legal provisions to demonstrate how these two fields are intertwined with each other.

Keywords: Market conditions, Interconnectedness, Policy formulation, Company laws, Economic Impacts

INTRODUCTION

Business Law encompasses a collection of regulations that oversee the interactions among individuals engaged in business activities through agreements, customs, as well as local or worldwide regulations. The daedalia relationship that exists between company laws and the economy cannot be denied, as seen by the various ways that legal frameworks influence market dynamics, business activity, and ultimately economic results. Two distinct areas fall under the jurisdiction of business law.

The initial element involves regulating businesses by means of legislation related to corporations, partnerships, agencies, and insolvency. The second aspect deals with overseeing business transactions through contract laws and other relevant fields.¹ The guiding concepts of business law are regulation and governance. These laws define the rights and obligations of different stakeholders, like as shareholders, employees, consumers, and the general public, and set the legal framework within which enterprises operate. Business laws reduce the risks of dishonest business practices, fraud, and market

¹ Business Law, Encyclopedia Britannica (Dec 26, 2019),
<https://www.britannica.com/money/topic/business-law>.

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