

NAME:Adeboye Caleb

DEPARTMENT:Mechatronics

MATRIC NO: 17/eng05/001

SHORT TEST

Legal environment plays a very important role in determining the success of any businesses around the globe. The government taxes that are being imposed among other regulatory measures help to promote economic growth and to protect consumers from exploitation and other illegal factors. Prior to establishing or when in the process of running a business, accordingly, it is imperative to understand the role of regional tax measures, legal factors affecting business and regulatory measures in the determination of how your business is affected. Another measure to help your business adapt to legal issues in its environment is the understanding of regulatory measures and to account for all your regional economic analysis.

Business Legal Environment Definition

In the legal environment of a business, we are looking the key areas, particularly where law changes and how legal aspects affect businesses. All these legal factors are contained in the legal environment of a business.

Legal Factors Affecting Business Environment

Organizational Law

The organizational law is the first type of business law that we will talk about here. Any business that is organized as a legal entity is subject to the state law that governs its operation and conduct. There are different types of business entities. For example, corporations, limited partnerships, partnerships, limited liability partnerships, limited liability limited partnerships and limited liability companies all of which have different legal status and issues.

Securities Law

If a business is seeking to obtain financing through different types of investors, it may be subject to legal issues such as security law. For instance, a decision to offer promissory notes, a type of loan to your investors, will subject the legal factor affecting business to state and federal regulations and security laws.

Every company issue securities and a growing body of law suggests that non-manager interest in a limited liability company is also considered to be securities legal factors. As it is, most small businesses should not worry about business legal factors like federal and state security laws affecting them negatively. But if such a business has plans to raise capital through platforms such as public offerings or online funding.

