NAME: OBOT MKPOUTO OBOT

MATRIC NO: 17/ENG04/0046

DEPT: ELECT/ELECT ENGINEERING

SHORT TEST 2

Legal environment plays a very important role in determining the success of any businesses around the globe even in Nigeria. 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. 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.

## Judicial Corruption

The fact that Nigeria has a number of [corrupt judges](https://brooklynworks.brooklaw.edu/bjil/vol31/iss1/1/) is common knowledge in the country. Over the years, there have been various allegations of corruption in the judiciary. In 2013, two High Court judges were suspended and recommended for retirement by the National Judicial Council for [misconduct bordering on corruption](http://thenationonlineng.net/njc-suspends-justices-naron-archibong-2/). Judicial corruption reduces public confidence in the country’s justice system. This means that suspected incidents of directors’ misconducts are less likely to be reported given the prevailing belief that justice is unlikely to be served. Similarly, it can affect the attitude of investigators and prosecutors who might have less incentive to investigate and prosecute cases diligently.

## Delays in the justice system

One of the main problems in the bank executive cases has been endless delays in the judicial process. The trials’ time line tells the story. it can take as long 5+ years for a case to be treated which can hinder growth.

**Potential inequality**

Another question to consider is whether the failure to successfully prosecute the directors is a reflection of the difference in the treatment of high-profile offenders versus ordinary Nigerians.

**Organizational Law**

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.

**Contract Law**

If the intention is to enter an agreement with another person or entity, then contract law is binding. This also has a special area that is involved directly with factors affecting business, for example, government contracts, which is also known as government procurement laws.