

What is Business Law?

Worksheet

Business law covers contracts, liability, regulatory compliance, intellectual property and dispute resolution. It balances business freedom with consumer protection and public interest.

Questions

1. Which is NOT a core area of business law?

- A) Astronomy regulations
- B) Contract law
- C) Employment law
- D) Intellectual property

2. Business law protects

- A) Only businesses
- B) Only consumers
- C) Both businesses and consumers
- D) Government agencies only

3. A company's legal structure determines

- A) Its product quality
- B) Shareholder liability and tax treatment
- C) Employee salaries only
- D) Marketing strategy

4. When does business law apply?

- A) Only in court cases
- B) Only for large companies
- C) In all commercial transactions
- D) Only for government contracts

5. A restaurant serves contaminated food injuring a customer. What area of business law applies?

6. A startup must file articles of incorporation. What legal process is this?

7. An employee claims wrongful termination. Which legal area governs this?

8. Define: What is business law?

9. Define: Name three main areas of business law.

10. Define: Why is business law important?

Answer Key

1. A) Astronomy regulations - Astronomy regulations are not part of business law. Contract, employment and IP law are central areas.
2. C) Both businesses and consumers - Business law balances the interests of businesses, consumers, workers and the public.
3. B) Shareholder liability and tax treatment - Legal structure (sole proprietor, LLC, corporation) defines liability limits and tax obligations.
4. C) In all commercial transactions - Business law applies to every commercial transaction - from freelancing to multinational deals.
5. This falls under product liability (part of tort law). The restaurant is liable for damages due to negligence. The customer can claim compensation for medical costs and pain.
6. This is company formation regulated by corporate law. It creates a separate legal entity (corporation). It establishes liability protection for shareholders.
7. Employment law applies here. It protects workers from unfair dismissal. The employer must follow statutory procedures and show just cause.
8. The legal rules and regulations governing commercial transactions, company formation, contracts and business liability.
9. Contract law, corporate law, employment law, tort law, intellectual property, tax law and regulatory compliance.
10. It protects both businesses and consumers, ensures fair dealing, enables dispute resolution and promotes economic stability.

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