

# **UNDERSTANDING THE EXISTENCE OF LAW IN BUSINESS ACTIVITIES: BASED ON THE COURSE EXPERIENCE**

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Esai ini bertujuan untuk berbagi pengalaman penulis dalam mata kuliah hukum bisnis terkait hubungan kompleks antara aspek hukum, keadilan, dan etika dalam berbisnis serta menggali pemahaman tentang bagaimana hukum dan keadilan memengaruhi praktik bisnis yang baik dan bagaimana etika digunakan sebagai moral landasan dalam mengambil keputusan bisnis dengan integritas dan tanggung jawab. Teknik penelitian yang digunakan adalah kualitatif. Esai ini memberikan eksplorasi mendalam tentang hubungan kompleks antara aspek hukum, keadilan, dan etika dalam konteks bisnis. Hal ini menekankan pentingnya memahami bagaimana hukum dan keadilan mempengaruhi praktik bisnis yang baik dan bagaimana etika berfungsi sebagai landasan moral untuk membuat keputusan bisnis dengan integritas dan tanggung jawab. Esai ini mencakup berbagai topik, termasuk tujuan kursus, sasaran, manfaat, metode pembelajaran, tugas tugas, pengalaman pribadi, dan diskusi mengenai hukum bisnis dan perannya dalam mengatur kegiatan bisnis. Hal ini juga menyelidiki konsekuensi dari ketidakpatuhan terhadap peraturan, perlindungan hak melalui kerangka hukum, perselisihan dan penyelesaian perselisihan dalam kontrak, pertimbangan etis dalam operasi bisnis, dan peran hukum dalam menetapkan standar etika untuk bisnis. Esai ini diakhiri dengan menyoroti pentingnya hukum bisnis dalam menyediakan struktur hukum, melindungi hak dan kewajiban, meminimalkan risiko, memastikan kepatuhan hukum dan etika bisnis, dan menetapkan standar etika untuk bisnis. Hal ini juga menekankan peran hukum dalam melindungi hak kekayaan intelektual bisnis dan melaksanakan tanggung jawab sosial perusahaan sebagai bagian dari etika bisnis. Dokumen ini menyoroti sifat saling terkait antara etika bisnis dan tanggung jawab sosial perusahaan, dan bagaimana praktik bisnis yang bertanggung jawab dan etika yang kuat dapat menciptakan kepercayaan dan manfaat bagi perusahaan dan masyarakat luas. Secara keseluruhan, esai ini menawarkan gambaran komprehensif tentang berbagai aspek hukum bisnis dan implikasinya terhadap perilaku bisnis yang etis dan kepatuhan hukum.

**Kata kunci:** Hukum dalam bisnis,

## **Abstract**

This essay aims to share the author's experience in business law courses related to the complex relationship between legal, justice, and ethical aspects of doing business and to explore the understanding of how law and justice affect good business practices and how ethics are used as a moral foundation in making business decisions with integrity and responsibility. The research technique used is qualitative. This essay provides an in-depth exploration of the complex relationship between aspects of law, justice, and ethics in the context of business. This emphasizes the importance of understanding how law and justice influence good business practices and how ethics serves as a moral foundation for making business decisions with integrity and responsibility. This essay covers a wide range of topics, including course objectives, goals, benefits, learning methods, assignment assignments, personal experiences, and discussions regarding business law and its role in regulating business activities. It also investigates the consequences of non-compliance with regulations, the protection of rights through legal frameworks, disputes and dispute resolution in contracts, ethical considerations in business operations, and the role of law in setting ethical standards for business. The essay concludes by highlighting the importance of business law in providing legal structure, protecting rights and obligations, minimizing risks, ensuring legal and ethical compliance of businesses, and setting ethical standards for businesses. It

also emphasizes the role of law in protecting business intellectual property rights and implementing corporate social responsibility as part of business ethics. This document highlights the interrelated nature of business ethics and corporate social responsibility, and how responsible business practices and strong ethics can create trust and benefit both companies and society at large. Overall, this essay offers a comprehensive overview of various aspects of business law and their implications for ethical business behavior and legal compliance.

**Keyword:** Law in business,

## **1. INTRODUCTION**

I am a student of Universitas Muhammadiyah Surakarta who has participated in a double degree program with one of the partner universities in Taiwan, National Dong Hwa University. For me, participating in a double degree program at NDHU Taiwan is a very extraordinary thing, on this occasion, I was able to take several courses that I did not get when studying at UMS, I have studied Business Law as a course at NDHU Taiwan. This course gave me the necessary skills to understand the relationship of law, justice, and ethics in good business. The most important thing we learned was how a business can be built on the right foundations and not adverse to certain parties. I have learned a lot from this course and I am very grateful for all the experiences in this class.

Business Law is one of the most important aspects of the business system, understanding business law can be the key to success for any individual who wants to pursue a business career. Therefore, studying business law at the National Dong Hwa University in Taiwan has many benefits and advantages. Studying business law will give an in-depth understanding of the rules and regulations that apply in the business environment.

In every business transaction, several policies must be adhered to avoid offence of the law. Studying business law can give the author the ability to learn how to avoid legal problems and run the business legally. Understanding business law also helps protect yourself and the company from lawsuits. In business practice, whether as an owner or an employee, the risk of lawsuits can occur, business law gives beneficial knowledge in taking precautions to reduce the risk. Studying business law also helps to become a responsible leader in the workplace. The law provides a framework for acting fairly and honestly in conducting business activities and maintaining the integrity of the Company.

## **2. METODE**

To achieve the goal of writing this essay, the author uses a descriptive qualitative approach. The qualitative descriptive method is a research method based on the philosophy of postpositivism used to examine the condition of natural objects. Qualitative descriptive research aims to describe, explain, and answer in more detail the problems to be studied by studying an individual, a group, or an event as much as possible. In qualitative research,

humans are research instruments, and the author's results are in words or statements following the actual situation. In writing this essay, the author became the subject of research as well as a critical instrument of data collection techniques which was carried out in triangulation (combined) through reflection on the author's personal experience and observing the documentation study as data analysis.

### **3. RESULT AND DISCUSSION**

#### **3.1 Course Description**

Businesses work with laws every day. Knowledge of business law can give the ability to recognize potential issues and manage legal risk. This course provides an overview of the legal principles that apply to business. The course provides an overview of the law and legal system, covering topics such as contract and sales law, agency and employment law, consumer protection and property law, and other.

#### **3.2 Course Objectives**

This course aims to understand the learning of legal concepts and principles. it covers various topics such as the essential elements of law, the application of ethics in law, the application of contract law or contractual agreements with business partners, the terms and conditions of doing business, knowing the rights and obligations of employees, considering consumer safety, understanding the rights and obligations of companies. encourages students to gain a comprehensive understanding of the legal framework and practical considerations involved in business.

#### **3.3 Benefits of the Course**

Based on my experience, business law courses can provide both theoretical and practical benefits for author. Theoretically, this course provides the advantage of deepening knowledge in the field of business law. Practically, this course provides the following benefits as a strong foundation for facing future work. In a complex and frequently changing business environment, knowledge of business law can help the author understand the rights and obligations as workers or employers.

#### **3.4 Learning Method**

Learning method in this course focuses on strategies in the form of a combination of giving assignments and group presentations which are connected to discussions created in class and also listening to theories explained by the professor. This method creates a conducive class and encourages students to be active in the class.

### **3.5 Task Assignment**

- 1) Personal Assignment: This assignment is a summary of the material according to the sub-chapters that will be taught. This assignment encourages the author to understand the material individually and gives the ability to better prepare for the upcoming class so that the author has the opportunity to participate well and also gives the author enthusiasm to increase the desire to read in fulfill his personal duties as a student.
- 2) Oral Team Presentation: This class offers the opportunity to interact with classmates who share the same interest in studying business law. Group assignments in the form of presentations of business law sub-chapters are given to students to collaborate, usually, the assignment is given to a group by giving directions for each group to provide examples of laws and legal issues that apply in some country that corresponds to the sub-chapter given, the assignment is done in the form of a power point and presented in class.

### **3.6 Personal Experience**

Participating in the double degree program at NDHU Taiwan is one of the author's valuable experiences, the conducive classroom environment has provided opportunities to study well, the interactive classroom atmosphere supports students in intellectual development, the professor can teach theory in an inspiring way, this professor has in-depth knowledge in law and have the competencies needed in teaching students. The professor not only teaches the material but also provides an understanding of the types of topics taught.

One of the experiences that left an impression on the author's mind was when he was involved in a group presentation assignment, on this occasion the author had the opportunity to interact with friends from various countries so he could exchange ideas and share information, The author's experience in group presentations is explaining the material "Customer Protection and Product Safety" which encourages the author to understand the legal system that applies in Indonesia and other country in protecting customer rights and knowing the regulations that apply in creating safe products, as well as information about the legal entities responsible for managing product safety.

### **3.7 Understanding Business, and Business Law**

Business, according to Griffin and Ebert (2008: 4), is an organization that providing goods or services for sale with the aim of making a profit, The definition of business in general refers to economic activities that involve the production, distribution, and exchange of goods or services to make a profit. Business is an important aspect of human life because it plays a role in creating jobs, improving a country's economy, and fulfilling consumer

needs and activities. Al Gini and Alexei Marcoux (2012) identify business as an 'exchange transaction'. They see business being pursued with the intention of executing profitable sets of transactions. Further, they consider the exchange transaction to be a competition and the competitive aspect is the backbone of the entrepreneurial capitalist system.

Business law is a very expansive area of the law. It primarily addresses issues related to the creation of new businesses, which arise as existing companies deal with the public, government, and other companies. Business law consists of many legal disciplines, including contracts, tax law, corporate law, intellectual property, real estate, sales, immigration law, employment law, bankruptcy, and others.

To create fair business activities, the existence of law is very important. Law has an important role in maintaining order and justice in society, the understanding of law must pay attention to the moral and ethical values that exist in society. "The law is a set of rules, developed over a very long period, which regulate people's interactions with one another. Law means different things to different people, and it is the system of control through which society operates. Law declares how we must behave and consists of those rules which are enforced through the legal system (particularly the courts)" (Caterina Crucitti, 2015: 16)

In general, law can be defined as a device used to regulate the association of people economically and socially in a community environment to ensure legal, social, and political order. The law has a binding nature that can make anyone feel responsible and become afraid if they do something that violates the rules. Without the existence of this law, everything can become chaotic and cannot run effectively.

Overall, business law is the main foundation for conducting fair and equitable business activities. Business law protects the rights of all parties involved in business transactions and creates a healthy and orderly business environment. Caterina Crucitti (2015:18-19) said "the law, in the context of business law is also concerned with legal rules, principles and procedures to ensure that people who engage in business do so in a proper manner ensuring that transactions are entered into in a fair and just manner. Accordingly, the law maintains a 'balance' between the interests of all persons and business organizations and provides a mechanism for 'transparency' and 'checks and balances' to promote fairness, equity and consistency in the application of the law. Therefore, business or commercial law deals with the rules, procedures, and customs relating to various business activities, such as the sale of goods or services that are carried out daily regularly to have an impact on the sustainability of the business".

### **3.8 The Objective of Business Law**

- 1) Providing Legal Structure: One of the purposes of business law is to provide the legal structure as a necessary foundation for operating a business. This includes the process of company formation, share division, and ownership regulations. The purpose of business law is also to provide clear guidance for business owners on how they can start and run a business under the law.
- 2) Protecting Rights and Obligations: business law serves to protect the rights and obligations of all parties involved in the business. This includes shareholders, employees, consumers, and creditors. Business law establishes a fair framework for all business transactions and ensures that individual rights are respected.
- 3) Minimizing Risks: One of the most significant benefits of business law is its ability to help businesses minimize risk. This can involve good contracts, legal protection against lawsuits, and an understanding of corporate liability. With a good understanding of the purpose of business law, businesses can avoid reputation-damaging legal pitfalls.
- 4) Legal compliance and business ethics: the purpose of studying business law is to provide knowledge of the importance of legal compliance and ethics in business and to help ensure that the Company operates by legal regulations and high ethical standards.

### **3.9 The various laws and regulations that govern different aspects of business.**

When studying business law at NDHU, the author learned that business law touches on several areas of law, practices, and concern, among others:

- 1) Employment and Labour Law is a very broad discipline that covers a broad array of laws and regulations involving employer/employee rights and responsibilities in the workplace. This law includes worker protection and safety laws, such as worker immigration laws, such as the Immigration Reform and Control Act, which imposes sanctions on employers for intentionally hiring illegal immigrants.
- 2) Antitrust Laws that defined as regulations that encourage competition by limiting the market power of any firm. This often involves ensuring that mergers and acquisitions do not overly concentrate market power or form monopolies, as well as breaking up firms that have become monopolies. Antitrust laws also prevent multiple firms from colluding or forming a cartel to limit competition through practices such as price fixing.
- 3) Contract Law is the regulation that ensures fair agreements between parties involved in business transactions. A business contract is an agreement in written form where the substance agreed upon by the parties is business- related. A business contract is a binding agreement between two parties who intend to carry out a business transaction.

- 4) Consumer Protection and Product Safety are regulations set by the government to ensure legal certainty to protect consumers. Consumer protection is carried out so that people do not consume or use goods and/or services that can endanger safety and health. The government enacted various laws regulating the safety of food, medicines, cosmetics, toys, vehicles, and other products.
- 5) Securities Regulation is a set of rules and guidelines established by regulatory bodies to govern the trading and issuance of securities in a particular jurisdiction. These regulations aim to protect investors, maintain fair and transparent markets, and promote financial system stability.

### **3.10 The consequences businesses may face for non-compliance with the regulations.**

- 1) Financial penalties for non-compliance can be substantial, often severely affecting a business's bottom line and financial stability.
- 2) Legal repercussions of non-compliance can be severe, ranging from litigation and fines to imprisonment, depending on the gravity of the violation. Regulatory authorities have the authority to investigate, levy penalties, and even revoke licenses or permits, depending on the magnitude of the non-compliance.
- 3) Reputational damage due to non-compliance is another critical concern for businesses. When a company fails to adhere to regulations, it risks losing the trust of its customers, investors, and other stakeholders, declining sales, dropping stock prices, and tarnishing its brand image.

### **3.11 Laws help protect businesses' intellectual property rights**

Intellectual property rights include exclusive rights to creative works produced by the human mind and imagination. Here are some general types of intellectual property rights:

- 1) Copyright protects works of art, music, writing, and the like. With copyright, creators have the exclusive right to reproduce, distribute, and display their works.
- 2) Trademarks, protect the identity of brands or logos used to distinguish products or services from competitors. By owning a trademark, companies can protect their reputation and build customer trust.
- 3) Patents Rights, Patents allow patent holders to protect new inventions and technological discoveries. By owning a patent, inventors can prevent others from using, manufacturing, or selling their inventions without authorization.
- 4) Trade Secrets are confidential information that gives a competitive advantage to the owner. It can be a secret formula, recipe, production method, or any other business

information that is not known to the general public.

### **3.12 Disputes and Dispute Settlement in Contract**

In the context of business law that the author studied, there are various formal and informal contract dispute resolution strategies. Submitting a dispute case to a legal entity, namely the court, is called the litigation process. The process of resolving disputes outside of court is usually called Alternative Dispute Resolution (ADR). Dispute resolution through ADR is divided into several ways, such as:

- 1) Negotiation is an effort to resolve disputes without a court process to reach a mutual agreement based on more harmonious cooperation.
- 2) Mediation is a dispute resolution through a third party (mediator) as a neutral or impartial mediator who provides active guidance and direction to settle.
- 3) Arbitration, Arbitration is a method of resolving private civil disputes outside the public court environment. This process is based on an arbitration contract that has been made in writing by the parties involved in the dispute.

### **3.13 Law-based ethics for business education(business Student)**

The purpose of teaching law-based ethics to business law students is to assist them to become aware of the moral dilemmas encountered in commerce and to prepare them for ethical decision-making. Ethical business can be said to have four dimensions: it respects and follows the law, values the rights of employees, provides for the legitimate rights of customers and accommodates the reasonable expectations of shareholders. Thus, the sources of business ethics are grounded in the law and community values: the legitimate expectations shareholders, customers and creditors are also taken into account.

### **3.14 Ethics in Business**

Ethics is described as a way of thinking about what is morally right, appropriate, and acceptable in society and it plays a vital and significant role in the business and commercial environment. Practising business ethics means committing to maintaining trust and reliability in every business transaction. This includes delivering products or services as promised and honouring agreements and contracts. Complying with all applicable laws and regulations is a fundamental principle of business ethics. This includes paying taxes due, complying with environmental regulations, and complying with labour laws. An important part of business ethics is treating employees fairly and respecting their rights. This includes paying fair wages, providing benefits, and creating a safe and healthy work environment.



### **3.15 The Example Basic Ethics in business**

Refuse bribes, bribery in business processes may not be a secret anymore. For example, if a company is opening a tender for a certain project, a company comes along that plans to enter the tender and hopes to get away with bribing one of its top officials. This dishonorable behavior clearly violates company ethics.

Do not reveal company secrets when you resign, loyalty is one of the principles that must be adhered to in professional business ethics. One form of loyalty is being willing to obey company and superior orders, and most importantly not disclosing company secrets to outside parties. Now for the point of not disclosing company secrets, it must be held tightly, even though you are no longer from that company. There are no clear sanctions if these rules are violated, but what is certain is that you have violated ethics in the professional world.

### **3.16 Establishing a Code of Conduct**

To educate and guide others in the organization, a set of ethics, or a code of conduct, should be developed and distributed. The Code of Conduct has a very important function in helping to build a good organizational culture that is based on moral values. With a clear code of ethics, individuals in the organization will have consistent guidance in acting and interacting with each other.

In essence, the Code of Conduct contains the obligations that must be implemented and the prohibitions that must be avoided as an elaboration of the implementation of the principles of Good Corporate Governance (GCG) principles known as:

- 1) Transparency, The Company guarantees the disclosure of material and relevant information regarding performance, financial condition, and other information in a clear, adequate, accurate, comparable, and timely manner and easily accessible to Stakeholders by their rights. This principle of openness does not reduce the obligation to protect confidential information about the Company and its Customers and Business Partners by applicable laws and regulations.
- 2) Accountability, The Company ensures the clarity of functions, rights, obligations, authorities, and accountabilities of the Company's ranks that enable effective management of the Company. Accountability refers to the obligation of a person or working organ of the Company related to the implementation of the authority he/she has and/or the implementation of the responsibilities imposed by the Company on him/her.
- 3) Responsibility, The Company ensures the appropriateness of carrying out its business activities based on healthy corporate principles, fulfills obligations to the Government by applicable regulations, actively cooperates for mutual benefits, and strives to be

able to make a real contribution to society.

- 4) **Independency**, The Company guarantees professional management of the Company without conflict of interest and influence/pressure from any party that is not by applicable laws and regulations and sound corporate principles.
- 5) **Fairness**, The Company guarantees fair and equal treatment in fulfilling the rights of Stakeholders based on applicable laws and regulations.

### **3.17 Implementation of CSR as part of Business Ethics**

Corporate social responsibility (CSR) is the main element of Business Ethics, through CSR companies not only focus on profitability but are also responsible for intuition towards the environment, the welfare of employees, and also society.

Business ethics and Corporate Social Responsibility (CSR) are interrelated and have a close relationship. Business ethics includes moral principles and values that influence business decisions and actions, while CSR involves the social and environmental responsibilities of business activities. Business ethics is a subset of CSR that covers the areas of ethics, laws, norms, economics, and other actions that companies are expected to take by social and environmental responsibilities. Responsible business practices and strong ethics can create trust and benefits for the company, the community, and society at large.

### **3.18 The role of laws in establishing ethical standards for businesses**

Within the parameters of the law, when doing business, business ethics is described as a form of applied ethics that tends to operate as a means of examining moral or ethical problems and considerations that arise in business and also provides a guide to the proper course of conduct and behaviour in the particular circumstance.

In this regard, ethics and its link to business law ensure that a business conducts itself ethically and properly upholds its values, complies with the law, and considers the interests of each party with whom it has a direct relationship such as shareholders, employees, customers, creditors, and the wider community. Business law can help set standards for business ethics in various ways:

- 1) **Setting rules and guidelines**: Business law can provide rules and guidelines for business actor to conduct business activities ethically and with integrity.
- 2) **Ensuring protection**: Business law can ensure the protection of ethical business practices so that entrepreneur can work as fairly as possible.
- 3) **Set sanctions**: Business law can provide sanctions for business actor who break the rules, to reduce unethical and unlawful business practices.

- 4) Monitoring and enforcement: Business law can monitor and enforce laws to ensure compliance with the rule of law, thereby helping to ensure business practices with integrity
- 5) Developing corporate culture: Business law can help shape a consistent and virtuous corporate culture, which can help strengthen business ethics within the company.
- 6) Reducing conflict: Business law can help reduce conflict within organizations, helping to correct unethical and unlawful business practices.

In doing so, business law can help set standards of business ethics that business actors can live up to as fairly as possible and shape a consistent and virtuous corporate culture.

### **3.19 Personal Experience**

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## **4. CLOSING**

This essay provides an in-depth exploration of the complex relationship between aspects of law, justice, and ethics in the context of business law. This emphasizes the importance of understanding how law and justice influence good business practices and how ethics serves as a moral foundation for making business decisions with integrity and responsibility. This essay covers a wide range of topics, including course objectives, goals, benefits, learning methods, assignment assignments, personal experiences, and discussions regarding business law and its role in regulating business activities. It also investigates the

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