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TOPIC: GOVERNMENT LEGISLATION ON
BUSINESS

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INTRODUCTION

For any organization or association to succeed, it has to be controlled or governed by some rules or regulations. These set of rules are there purposely to regulate the conduct and activities of its members. If there are rules and regulations it then follows that there should be a body to enforce them among the members of such an organization or association. This is internal control management. The Business world is quite a complex one comprising many organizations and absence of regulations would mean that any organization is free to do anything it likes in the society. This procedure of doing things does not make for an organized society. Any economic world where anything goes is automatically a failure.

This is why the Nigeria government has placed some legislations on Business. Some of these legislations will be discussed as we proceed further but before then we would like to define some terms as they relate to this paper.

Definition of Concepts

The concepts to be defined include

- i. Government
- ii. Business
- iii. Legislation

GOVERNMENT

The term, government, has been variously defined by several people and schools of thoughts:

Government could be defined 'as a body of persons that make and enforce laws in a given state.' This definition was criticized and an alternative definition was

given by these critics. They defined government as a body of persons and institution that makes and enforces laws for a particular state or society.

Another definition of government is that it is the agency that make and enforces laws of a given state. A liberal writer defines government as a body of people and institutions that make laws, implement its polices, conducts its public affairs and maintain laws and order within its territory.

According to Oxford Advanced learners Dictionary, it is a group of people ruling a country, **controlling** or directing the public affairs of a city, country.

Therefore, government could be defined as a body of persons and institutions who control or direct the public affairs of a country through making laws and ensuring that the laws are enforced thereby maintaining law and order

BUSINESS

By the term business, we refer to all commercial activities seeking profits. It is the whole complex field of commerce and industry, the basic industries, processing and manufacturing industries and the network of ancillary services, distribution, banking insurance, transport.

Business is the activities of making, buying, selling or supplying things for money; commerce; trade. We enjoy goods and services which are the results of business enterprises. Business enterprises make very important economic contributions for the national economy as well as the material survival of the people in the nation. Business enterprises provide employment and income annually and these form an essential part of the gross national profit.

Business organization are different types but the profit making types are Sole Proprietorship, Partnerships, Corporations.

The sole proprietorship, as the name suggests, is owned by one person who operates the business. This type of business has its strengths and weaknesses.

In partnership, two or more persons own the business and carry on the business for their common good. It has advantages and disadvantages.

A corporation is a legal person who possesses most of the same rights, privileges and obligations of real persons. It is a citizen made so by law. A corporation is legally bound to pay tax on its profits. The shareholders of a corporation also pay taxes on their dividends. There are a lot of things to corporation. It has advantages and disadvantages too.

LEGISLATION

This refers to the series of law. These laws are usually located in the country's constitution. Constitution refers to a system of laws and principals according to which a state or other organisation is governed. The fundamental laws and principal according to which a state or other organization is governed. The fundamental laws of the constitution are supreme over all ordinary laws of a given state.

GOVERNMENT LEGISLATION'S ON BUSINESS

Having defined our concepts it is new easier for us to under stand why the government places legislations on business. By making and enforcing legislations on business, the government participates directly or through subsidy. These legislations regulate the business activities in the country. The government also plays a facilitation role and promotes business activities through these legislations.

Some of the legislations include: -

Indeginization decree, Privatization Decree, Company and Allied Matter Decree, Food and Drug Decree, Nigeria Standard Organizations (NSO) Decree, Hire Purchase Act, National Housing Policy Decree, Copyright Decree, Trademarks Decree.

REGISTRATION OF BUSINESS

One of the ways through which the government controls or directs business is by ensuring that all business with business names are registered. Companies are bound to adhere to the laid down procedures and requirements necessary for incorporation or registration of companies and other related matters under the company Act of 1968 which was amended by Company and Allied Matters Decree of 1990.

PRICE CONTROL DECREE

There is a decree governing the control of prices of certain essential commodities. In doing this both the Price Control Board and Price Control Committee were established for the federation, and each state. Under this decree, it is unlawful over anybody to sell or offer any commodity or sale at any price higher than the controlled price.

PRICE INTELLIGENCE AGENCY

This was established by decree in 1976 to aid the work of the Price Control Board. It is a research arm of the board which engages in a continuous study, survey and interpretation of price movement and how it relates to other developments in the national economy. The Agency proposes price regulation measures in various economic sector. It also monitors and supervises retail price maintenance arrangements.

FOOD AND DRUG DECREE

Food and drug laws fall under the Food and Drug Decree 1978. This is aimed at protecting the consumer from unsafe food and drugs by controlling the business. The law expects all

business connected with the above products and services to adhere strictly, to it. The law also helps to check indiscriminate production and sale of food and drugs to the public.

NIGERIA STANDARDS ORGANISATION DECREE 1971

This Decree provides for standardized methods and products in industries throughout Nigeria. The Nigeria standards council ensures that businesses comply with the government policy on standardization.

REGULATION OF PUBLIC UTILITIES AND TRANSPORTION

All public utilities are subject to regulation of rates and services by the government. Public utilities include telephone, electricity, telegram, natural gas, water service, local transportation, sewers.

WEIGHT AND MEASURES

The Government also controls some weights and measures to ensure that accurate measures are obtained. The measuring device includes scales, gasoline pumps.

LICENCES

Issuing of licenses is a measure used by the government to reduce competition in some businesses by restricting the number of firms. Licensing is also used to protect the publics from incompetent operators.

THE HIRE PURCHASE ACT 1965

This is an important legislation in that it is used to the foundation of many injustices which arise both in marketing activities and transfer of title. This act stipulates the requirement relating to Hire Purchase and Credit Sale Agreement.

REGULATIONS TO DECREASE COMPETITION.

There are government laws device to limit competition. These laws include:

I The granting of patent right which is a right granted to the inventor of a new device to make, license or use it for a given number of years.

- ii There are laws restricting the importation of foreign goods into the country. These restriction include taxes, tariffs, quotas, exchange restrictions:-
- iii Resale – Price Maintain Law gives the manufacturer of branded goods the right to dictate the minimum price at which retailers in the state could sell the branded goods to the consumer.

TRADE MARKS

The Trade Marks Act of 1965 protects trade marks. A trade mark is a legal term which protects the sellers exclusive right to use the brand name or brand mark.

PATENTS AND DESIGN

The Patents And Design Act of 1970 protects patent and designs. A patent is a legal term that protects the owner's exclusive rights to use a new invention and results from intensive activity which can be applied in industries. A design is a configuration or shape which is new and intendeds by the creator as a pattern or model to be multiplied through industrial process.

TREASURY PAPERS

The government controls the money in the country and, also regulates business activities of the country through the use of Treasury papers comprising Treasury Bills and Treasury Certificates.

Treasury bills are financial instruments which the government issues in order to raise short term fund. Treasury stills are issued for a period 91 days within which the government revenues are expected to be paid into the treasury.

The treasury certificates are medium term government securities having one or two years maturity. The funds raised here are meant to bridge the financial gap between the Treasury Bill and long term securities issued by the Federal government.

The Federal government uses the agency of the Central Bank to sell Treasury bill in the open market and also buys in the open market. This controls the bulk of business activities especially as most businesses are linked to the banks, in Nigeria.

In conclusion it is very important that the government ensures that these legislations are seriously adhered to by the different business organizations concerned. The government

should also continue in her efforts to regulate the business activities so as to ensure a safe society both for the consumers and others, especially the young businesses

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