

**Sources of Law**

Business Law  
CRHS  
Ms. Wagemaker

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**Think About It**

Before laws, how did people resolve conflicts?



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**Stages in the Growth of Law**

1. Individuals take revenge
2. Money or Goods Substituted
3. Courts systems are formed
4. Central authority figure intervenes

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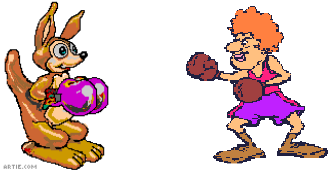
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### 1. Individuals take revenge



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### 2. Money or Goods Substituted



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### 3. Courts Formed



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#### 4. Central Authority Intervenes



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#### What is Law?

Rules of conduct established by a government of a society to maintain stability and justice

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#### 5 Main Sources of U.S. Law

- Constitution
- Common Law
- Statutory Law
- Court Decisions
- Administrative Regulations

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## Source #1: U.S. Constitution

- Fundamental Rights of U.S. Citizens
- Limits Federal and State's powers to pass laws
- Article I, II, III
  - Legislative, Executive, Judicial branches
- Article IV – State Laws
- Article V – How to Amend

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## U.S. Constitution

- Article VI – Supremacy Clause
- Article VII – Ratification
- Bill of Rights

## State Constitutions

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## Source #2: Common Law

- Based on current custom
- Court Decisions/Outcomes
- Precedent or Stare Decisis
  - “let the decision stand”

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### Source #3: Statutory Law

- Laws passed by a governing body whose purpose is to make laws
- May order people to do something
  - Register for the draft
  - Get a license before you can drive
- Restrict behavior
  - Housing, employment or lending discrimination is prohibited by law

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### Source #3: Statutory Law

- Federal Statutes
  - Passed by Congress
  - Signed by the president
- Supreme Court
  - Only court that can declare statute as unconstitutional

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### Source #4: Court Decisions

- Also known as 'common law' or 'case law'

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## Source #5: Administrative Regulations

- Also called 'administrative law'
- Experts in their fields
- FCC
- FTC
- IRS
- FAA
- FBI

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## ASSIGNMENT



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## SOURCES

Understanding Business and Personal Law.  
11th ed. New York: Glencoe/McGraw-Hill,  
2003.

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