



People in Business
Business – Leaving Cert
Quick Notes

People in Business

Stakeholders

Stakeholders-Anyone affected by how a business is run

List of Stakeholders:

Entrepreneur

Investor

Employee

Employer

Producer

Consumer

Service Provider

Interest Group

Entrepreneur-An entrepreneur is someone who spots a gap in the market and takes the initiative to set up a business to make money from that opportunity. He takes a big risk in doing so.

Examples of Entrepreneurs-Bill Gates (Microsoft)

Investor-A person who gives capital to the entrepreneur that is needed to set up the business in exchange for a return on the investment.

- Investors can also give capital in return for a share (equity finance) and receive a dividend.

Example of Investor-Bank of Ireland

- The entrepreneur and investor have a dependent relationship.

Employer-The person who hires others to work for them and rewards the employee financially with pay.

Example of employer-Aer Lingus

Employee-The person who works for an employer in return for a wage.

Example of employee-Pilot in Aer Lingus

- The employee and employer have a dependent relationship.

Manager-The person who runs the business and makes sure that it achieves its objectives.

Example of manager-Michael O'Leary

Producer-A business that makes finished products from raw materials to sell to consumers.

Example-Cadbury's who take milk and other ingredients and turn it to chocolate.

Consumer-The person who buys goods or services for his own personal use.

- The producer and consumer depend on each other
-

Service Provider-A business that offers a range of valuable support to a entrepreneur. They operate in the tertiary sector of the economy.

Example-Eircom who provides them with communications.

Interest groups-An organisation of people who come together and campaign for a common goal. The use tactics such as negative publicity and boycotts.

Example-Greenpeace-Boycott of Shell after dumping of oil rig

Irish Business and Employers Confederation (IBEC)-help businesses.

Irish Congress of Trade Unions (ICTU)-fight for rights of workers

Relationship between Stakeholders

1. Co-operative Relationship

- This means that the stakeholders in the business work together to achieve the same objective.
- It is a win/win situation.
- They do better from working together as a result.

Example-Employers and employees working together to save business. Employees agree to pay cut in return for shares.

In 1990's, Ford and Mazda worked together and formed a strategic alliance to develop a new car.

2. Competitive Relationship

- This means that one party wants to be more successful than the other.
- This is a win/lose situation.

Examples-Two employees might compete for a promotion in a business

Ryanair and Aer Lingus compete with each other

3. Dependent Relationship

- This means that the parties need each other to be successful.

Example-Consumers and producers depend on each other.

4. Dynamic Relationship

- This means the relationship is constantly changing.

Example-Coke and Pepsi when secret recipe was revealed

Competing businesses in a town might work together in festival.

Contract Law

Contract-A legally binding agreement between two or more people that is enforceable by law.

Essential Elements

1. Offer

- When one person asks another to enter into a deal with them. Must be valid and all terms must be set out clearly.
- *When you place groceries on a conveyor belt*
- Not an invitation to treat-e.g a price tag.

2. Acceptance

- When the other person agrees to the terms of the contract.
- *When the supermarket scans your goods.*

3. Consideration

- The payment that must be received by each party (quid pro quo).
- *The supermarket receives your money and you receive the goods.*

4. Intention to Contract

- Both parties must mean for it to be a legally binding agreement.
- Agreements between family members are never contracts because there is no intention for them to be.
- *Agreements between business people are always meant to be.*

5. Capacity to Contract

- The people must have the legally ability to enter into a contract.
- *Everyone can except under 18's, mentally incapacitated, diplomats and directors who act ultra vires.*

6. Consent to Contract

- This means that both parties must give their full and real permission.
- *Someone can't be forced into making a contract.*

7. Legality of Form

- Certain contracts must be drawn up in certain ways.
- *Hire purchase contracts must be in writing.*

8. Legality of Purpose

- Legally binding contracts can only be for legal transactions.
- *A contract over a robber will not be upheld in court.*

Termination of a Contract

1. Performance

- When both sides carry out their duties as under the contract.
- *In a car transaction if one side receives the money and the other receives the car.*

2. Agreement

- If the parties involved voluntarily agree to end the contract.
- Most employment contracts allow either side to end the contract with one months notice.

- *Football player might end contract to enter into longer one with more money.*

3. Frustration

- If an unforeseen event occurs such as death or illness and the contract can't be carried out.
- *If a singer has a contract with a pub owner but dies before performance.*

4. Breach of Contract

- If one person breaks a condition of the contract-essential.
- Not if someone breaks a warranty-non-essential.
- *If a football player misses a training session that is breach of warranty, if he misses a match that is a breach of condition.*

Remedies for Breach of Contract

1. Damages

- The person who broke the contract is ordered to pay financial compensation.
- This is good as innocent person does not lose out as a result and may receive extra money.
- *If a singer doesn't show up for a concert she will have to pay for money lost and inconvenience caused.*

2. Specific Performance

- The person has to carry out the terms of the contract as it was originally.
- This is good as innocent person doesn't suffer at all.
- *The singer could be ordered to perform at a later date.*

3. Rescind the Contract

- The judge can't restore the parties to exactly how they were before the contract was written which would happen in case of frustration.
- This is good as the innocent person is no worse off.
- *If the singer was ill the contract might be rescinded.*

For even more comprehensive revision notes visit [mocks.ie - Leaving Cert Business Notes](https://www.mocks.ie)