**UNIT 1 Revision Questions**

**2017 – Question 1**

 (A)   (i)  Explain the term cooperative relationship between stakeholders in a business.

 (ii) Describe one example of a cooperative relationship which could arise between each of  the following pairs of stakeholders:

* Employer and employee
* Investor and manager of a business
* Producer and consumer

(B)  Evaluate negotiation, conciliation and arbitration as methods to resolve industrial conflict in the    workplace.

(C) Read the information supplied and answer the questions which follow.

 Samsung Electronics abandoned its Galaxy Note 7 smartphone after customers reported  that phone batteries were prone to catching fire.

1. Name the act which protects consumers who purchased the Samsung Galaxy Note 7.
2. Outline three provisions of the act regarding a consumer’s statutory (legal) rights in relation to      the Samsung Galaxy Note 7

**2017 - Suggested Solution**

(i)
A **co-operative relationship** is one where stakeholders work together and agree on common goals. It is a ‘win-win’ relationship where all benefit.

(ii)
Examples of co-operative relationships:

* **Employer and employee:**
The employer seeks hard-working, skilled and reliable employees. Employees want good pay and conditions, job security and promotional opportunities. The relationship is co-operative when workers receive fair wages in return for productive work.
* **Investor and manager of a business:**
The investor is interested in profit. The manager is interested in the successful running of the business. The relationship is co-operative, as long as the manager generates enough profit to provide the investor with the expected return on their investment.
* **Producer and consumer.**
The relationship between producers and consumers is co-operative when producers provide the products and services demanded by consumers and when consumers believe these products are reasonably priced and of top quality.

(B)

**Negotiation** is a process where parties to a dispute can exchange settlement offers to try and resolve a dispute. The parties to the dispute will communicate directly with each other to try to reach an agreement. It is usually conducted without the assistance of a third party, e.g. an employee negotiating directly with the human resources manager regarding conditions of employment. For negotiation to be successful, it is important that both parties are effective communicators. The benefit of this method is that a dispute can be resolved more quickly.

**Conciliation** is a voluntary process in which a professional conciliation officer facilitates employers and employees (and/or their representatives) to resolve workplace issues when their own efforts have not succeeded. The conciliation officer acts as an impartial facilitator in discussions between the parties, e.g. an Industrial Relations Officer appointed by the Workplace Relations Commission. Conciliation can help to resolve a dispute when the parties can no longer communicate effectively. A conciliator’s experience can help the parties to reach an agreement.

**Arbitration** is a formal way of resolving a dispute in which the different sides present their case to an independent third person – the arbitrator. The arbitrator hears the opposing cases and issues a recommendation for a resolution. For example, an arbitrator is appointed by the Workplace Relations Commission to deal with disputes about employment and equality. A decision reached by an arbitrator is legally binding and can be enforced through the courts. The benefit of using an arbitration service is that it is a faster and cheaper way of resolving conflict than going through the court system.

 (c)

(i)
The Sale of Goods and Supply of Services Act, 1980

(ii)
The aim of The Sale of Goods and Supply of Services Act, 1980 is to protect the rights of consumers.

Three provisions of the act regarding a consumer’s statutory rights in relation to the Samsung Galaxy Note 7 are:

1. Goods purchased should be of merchantable quality, i.e. the goods must be of reasonable quality considering the price paid. The Samsung Galaxy Note 7 was clearly not of merchantable quality, as its battery was prone to catching fire.
2. It is the responsibility of the seller to ensure that the consumer’s statutory rights are protected, i.e. if a buyer encounters a problem with the Samsung Galaxy Note 7, they can bring it back to the seller to get the problem resolved.
3. If these conditions are not satisfied, consumers are entitled to a refund, replacement or repair. If the buyer is not satisfied with the seller’s response he/she may be able to take a claim to the Small Claims Court.

**2016 – Question 1**

* 1. (i) Outline two reasons for fair dismissal, as set out under the Unfair Dismissals Acts 1977-2007.

(ii) Explain the term constructive dismissal, providing an example to support your answer

(B) A legal contract can be terminated by performance, whereby parties to the contract fulfil their obligations as agreed. Outline three other methods for terminating a legal contract

 2016 – Suggested solution

(A)

(i)

Reasons for fair dismissal under the Unfair Dismissal Acts 1977-2007:

1. Worker misconduct, e.g. not following instructions as directed or stealing.
2. Worker being incapable of doing a job if they said they were capable of doing the job on application for the position.

(ii)

**Constructive dismissal** is when an employer makes conditions so difficult for an employee that they are forced to leave their job.  For example, insisting an employee works night shifts when the original contract was only for day work.

(B)

A legal contract may also be terminated in the following ways:

1. **Agreement** – This occurs when the parties to a contract agree to end the contract. For example, a contract of employment can be terminated if both employer and employee agree.  It is usual for both parties to expect one month’s notice to be given in this case.
2. **Breach** – This occurs when one party to the contract fails to perform their obligations in the contract.  Breach of a condition (an important element) entitles the injured party to take the other party to court to seek redress. For example, a builder fails to complete the building of a patio for a homeowner.  Even though a portion of the work may be done, the contract is void if the agreed work isn’t finished.
3. **Frustration** – This occurs when unforeseen circumstances make it impossible to carry out a contract. For example, if one party dies, or is declared bankrupt, it may be impossible to carry out the contract as agreed. In this case, it can be terminated.

**2014 – Question 1**

Question 1

(A) The purpose of the Industrial Relations Act 1990 is to put in place an improved framework for the conduct of industrial relations and the resolution of disputes.

 (i) Outline three factors that can lead to industrial disputes in business. (ii) Discuss two types of official industrial action available to employees involved in an industrial dispute with employers. (25 marks)

(B) Describe the role of any two ‘Interest Groups’ in business. (15 marks)

 (C) Outline a consumer’s legal rights under the terms of the Sale of Goods and Supply of Services Act 1980, with reference to any three of the following:

(i) Merchantable Quality (ii) Guarantees (iii) Signs limiting consumer rights (iv) Unsolicited Goods.

2014 – Suggested solution

(A)

(i)
Industrial disputes are disputes between employers and employees.  Three factors that can lead to industrial disputes in business are:

1. Employees may make claims for better compensation.
2. Employees may claim that they are not treated equally in cases of promotion or dismissal, i.e. discrimination.
3. Employees may seek better working conditions, e.g. breaks or holidays.

(ii)
Official industrial action occurs when a union seeks approval through a secret ballot and then has the dispute confirmed by the Irish Congress of Trade Unions (ICTU).  They are required to give the employer a minimum of one week’s notice.

Two types of official industrial action employees can undertake as part of an industrial dispute:

1. **Peaceful Picketing:**
Union members congregate outside their work-place in a peaceful manner to highlight the existence of an ongoing industrial dispute.  They also try to dissuade other workers, suppliers, customers etc. from entering.
2. **All-out strike:**
This is only used in extreme cases where other forms of industrial action may not have been successful.  The trade union has applied for, and received, permission from the ICTU for an all-out strike.  No member of any trade union in the ICTU may work.

(B)

An **Interest Group** is an organisation that represents a particular group of people who have similar needs or objectives.  An interest group engages in lobbying to influence decisions that affect its members.

A business may be a member of an interest group such as the **Irish Business and Employers’ Confederation (IBEC)**.  This seeks to protect the interests of its members and influence government decisions in areas such as legislation, taxes, EU directives and national wage agreements.

A second interest group in business is the **Irish Congress of Trade Unions (ICTU)**.  This body lobbies the government on behalf of workers and tries to influence the government in decisions on wage levels and taxes.

(C) The aim of The Sale of Goods and Supply of Services Act, 1980 is to protect the rights of consumers.  The act states that it is the responsibility of the seller to ensure that the consumer’s statutory rights are protected.  For example, the Act states that:

(i) When goods are purchased they should be of **merchantable quality**, i.e. the goods must be of reasonable quality considering the price paid. If the goods bought were not of merchantable quality, a consumer is entitled to a refund, replacement or repair.

(ii) **Guarantees** can offer additional rights to a consumer but cannot reduce their statutory rights in any way.

(iii) **Signs limiting consumer rights** are illegal.  For example, a seller cannot display a ‘no refunds or exchanges’ sign.

**2011 - Question 1**

(A) Outline, using examples, the relationship that can exist between ‘Investors’ and ‘Entrepreneurs’ in business. (15 marks)

(B) (i) Discuss the rights of consumers under the terms of the Sale of Goods and Supply of Services Act 1980.

(ii) Illustrate two forms of redress available to consumers for breach of the Act. (30 marks)

(C) Describe how conflict between an employer and an employee could be resolved in a non-legislative manner. (15 marks) (60 marks)

2011 - Suggested Solution

Question 1

(A) Investors and Entrepreneurs are stakeholders in the business. They rely on each other with the entrepreneur dependent on the investor for finance and the investor dependent on the entrepreneur for a return on his/her investment. Investors provide finance for the business (shareholders/Banks/State bodies) and expect a return from their investment. Entrepreneurs are the risk takers. They provide the initiative to start the business with the hope of making a profit.

Co-operative relationship - Working together towards a common goal/acting in a mutually beneficial manner (win/win). - The relationship is co-operative when the entrepreneur gives open, transparent and honest information to the investor e.g. accurate business plans and cash flow forecasts and in return the entrepreneur receives finance at a reasonable rate from the investor.

- Competitive relationship -Both go after the same thing but only one gets it. Each tries to win over the other (win/lose). The entrepreneur and the investor compete with each other. The entrepreneur is prepared to take further risks to develop the business and to use the profits for expansion, while the investor may wish the profit to be paid out regularly(less risk/safety of investment).

 (B) (i) Goods Goods should be of merchantable quality – they should be of reasonable standard/quality taking into account what they are supposed to do, their durability and their price.

Goods must be fit for the purpose intended. This means that the goods must be able to do what they are meant to do and what they were designed for (i.e. fit for the particular purpose for which the buyer intends to use them). For example, a waterproof jacket and leggings should keep the rain out. A combined fridge/freezer must be capable of freezing food.

Goods sold must be as described by the sales person, catalogue/package or sample. For example if a consumer orders blue floral wallpaper from a catalogue then it can’t be gold plain wallpaper when delivered.

Services Services must be provided with due care and attention - a car left at a garage for a full service but the garage failed to change the oil. A service provider must have the necessary competence and skills set. In addition, any materials used in the delivery of the service must be of merchantable quality.

Consumers’ rights under the act cannot be taken away or limited by signs such as ‘Credit Notes Only’, ‘No Cash Refunds’, ‘No exchange’ etc. These signs do not affect your statutory consumer rights. A credit note is not a refund as it restricts you to shopping in that shop.

Guarantees are seen as something extra (additional protection) that is given to the consumer and they cannot limit the consumer’s rights under consumer law. The guarantee must clearly show what goods are covered, the time frame involved and the procedure for making claims.

If a consumer purchases a faulty good and complains promptly then s/he is entitled to a full cash refund or replacement. For example if a consumer purchases a microwave oven and the minute timer doesn’t work (i.e. not of merchantable quality) then s/he is entitled to a full refund of money paid. A replacement may also be provided, e.g. a new model of the same or similar quality given in its place.

When the consumer has used the product, when there is a delay between the purchase date and the actual complaint, or when the fault is of a minor nature then the consumer may only be entitled to partial refund or repair.

The consumer’s rights lessen, the longer s/he puts off making the complaint.

(C) Describe how conflict between an employer and an employee could be resolved in a non-legislative manner.

A Non-legislative approach should be the first strategy in a conflict resolution process between employees and employer. It means that the parties involved are not using any law or body set up under a law to resolve the conflict.

Meet and talk. This involves having a meeting between the individual employee and his/her employer to try and discuss the situation and clarify any difficulties. Assistance can be sought from the shop steward and/or the Human Resource Manager (grievance procedure). Employee may seek help from the union head office and the employer may seek help from IBEC.

Independent Third Party Intervention:

 Conciliation. The conciliator will speak to the employer and the employee separately and then together, highlighting the others point of view. The conciliator encourages the parties to settle the dispute through continued negotiation.