Contents

Unit 1 — The Business Working Environment

Introduction

Unit 1 provides an overview of the business working environment, focusing on how businesses are legally formed and organised into departments as the business expands. It reviews the office and its functions, typical office layouts and general office equipment. It concludes with a review of employment law and other work-related legislation such as health and safety, and data protection, which governs how personal data is stored and used.

Unit 1 is divided into three chapters:

Chapter 1 — Business Organisations and Functions

Deals with the business as an organisation and the legal requirements of setting up a business, and examines the main functions of a business, i.e. production, marketing, finance, information technology and human resources:

- Types of Organisation
- Legal Forms of Business
- Sources of Funds
- Organising the Business
- Business Departments

Chapter 2 — Office Functions, Design and Equipment

Examines the primary functions of the office in relation to receiving, storing, processing and distributing information. Office design and typical office equipment are discussed.

- The Office and its Functions
- General Sources of Reference
- Office Design
- Office Equipment

Chapter 3 — Legislation in the Workplace

Provides a review of legislation that affects the workplace, such as laws governing terms and conditions of employment, health, safety and welfare at work and the protection of personal information stored manually or electronically.

- Employment Legislation
- Employee Family Leave Legislation
- Safety, Health and Welfare Legislation
- Data Protection Legislation

Chapter 1 — Business Organisations and Functions

To understand the role of the office in the context of an organisation, it is necessary to examine the types of organisation that exist. In any organisation, people and other resources such as equipment and finance combine to achieve some objective. Objectives will differ according to the type of organisation, i.e. public, private or voluntary. This chapter looks at the typical forms of business in Ireland: sole trader, partnership, company, co-operative and franchise. As the business expands, it is organised into departments, each of which manages specific tasks, and an organisation chart is generally provided to indicate levels of management and formal lines of communication.

Types of Organisation

Three main types of organisation exist in Ireland.

Public Sector Organisations

Public sector organisations are owned by the state. Their main objective is to provide cost-effective services to the community, such as public health, public schools, the Gardaí, road maintenance, parks, public swimming pools, etc., rather than to make a profit. While the general public is charged for the use of some services, these organisations are subsidised heavily by the government through public taxes. They are managed by civil servants, who are accountable to the government.

Private Sector Organisations

Private sector organisations are privately owned business enterprises. A business is an organisation that is set up to produce or distribute a product or service. The primary objective of a business must be to make a profit. Without profits or some spending power, a business will not survive in a competitive market. Business objectives will vary depending on circumstances. For example, in the first year of trading the main objective may be to *break even* (i.e. to cover expenses, not make a profit or a loss). If the business is successful, increasing market share or developing new products may become important objectives.

Voluntary Organisations

Voluntary organisations are non-profit-making and depend on state funding and/or voluntary contributions to survive. This type of organisation is run largely by volunteers and the main objective is to provide aid, support or some social service to the community. Examples of voluntary organisations are charities (e.g. Goal and Concern) and non-profit-making sporting societies (e.g. local GAA and rugby clubs). Registered charities are exempt from paying tax on donations received.

Legal Forms of Business

When setting up a business in Ireland, it is important to comply with all the relevant documentation so that the business can legally commence trading. All businesses must register with the Register of Business Names, and register with the Revenue Commissioners to pay tax on profits and to collect taxes from employees, e.g. PAYE and PRSI.

A business must also register for VAT with the Revenue Commissioners if the turnover of the business exceeds €75,000 on the supply of goods and €37,500 on the supply of services.

Business enterprises in Ireland tend to operate as one of the following:

1. Sole Traders
2. Partnerships
3. Limited Companies
   a) Public Limited Company (PLC)
   b) Private Limited Company (Ltd)
4. Co-operatives
5. Franchises

Sole Traders

A sole trader is the simplest form of business. It is a business wholly owned by one person. The owner takes responsibility for all the activities of the business, such as selling, purchasing, marketing, hiring staff and preparing the accounts. Typical examples are small local outlets in the retail sector (e.g. hairdresser, beauty salon, grocery shop), in the catering sector (e.g. coffee shop, pub) and in the construction sector (e.g. plumber, electrician).

Features of a sole trader

- Sole owner of the business, with control over all business functions.
- Generally small in nature, with a small number of staff employed.

- Has *unlimited liability.* This means that the owner is personally liable for any debts that the business may incur. Therefore if the business fails, the sole trader may sacrifice personal assets to pay creditors.
- The sole trader pays income tax on profits to the Revenue Commissioners and can offset business losses against other personal income.
- The business ceases to exist on the death of the sole trader: the new owner (if there is one) must register the business with the Register of Business Names and with the Revenue Commissioners.

Partnerships

A partnership describes a business where two or more people (usually to a maximum of 20) come together and contribute finance and/or expertise to a business. Accountants, solicitors and doctors commonly practise under the partnership structure.

There are two forms of partnership in Ireland: a general partnership and a limited liability partnership (LLP).

In a general partnership each partner has unlimited liability and they are therefore liable for the debts of the business.

An LLP must consist of at least one general partner and one limited partner. The general partner(s) is/are liable for all the debts of the business. The limited partner(s) contribute a stated amount of capital and are not liable for the debts of the business beyond the amount contributed. An LLP must register with the Companies Registration Office (CRO) but otherwise pays the same taxes as a general partnership.

Features of a partnership

- When forming a partnership, it is prudent and normal to have a Partnership Agreement which specifies the duties and responsibilities of each partner. As the partners may contribute to the business to different extents, the Partnership Agreement also specifies how profits and losses are to be distributed.
- It may be easier to access credit facilities when more than one person is responsible for repayments.
- Partners, like sole traders, are charged income tax on profits and can offset business losses against personal income.
- A new partnership must be formed on the death or resignation of a partner.

Companies

Companies are one of the most common forms of business in Ireland. The owners of the company are the shareholders who purchase shares in the company and receive dividends on their shares if the company is profitable. The shareholders elect a board of directors and/or a managing director to manage the company on their behalf.

A company has a legal status (i.e. a separate entity) distinct from its owners. This means that the company, rather than the individual shareholders, can sue and be sued for any wrongdoings in the normal course of business.

A company can be formed as a public or private company with either limited or unlimited liability. *Limited liability* means that the liability of the shareholders is limited to either the amount that remains unpaid on the shares they have invested in the company or to the amount guaranteed by the shareholder when forming the company. Clubs, societies and charities are generally formed as companies limited by guarantee where the business is not seeking to raise funds from its shareholders. *Unlimited liability* means that the shareholders are personally liable for the debts of the company.

Public limited company (PLC)

A public limited company (PLC) is formed with a minimum of seven members, and with no upper limit. PLCs are companies that are quoted on the stock exchange. This means that the company can raise finance by selling shares to the general public. Examples of Irish PLCs include Ryanair Holdings PLC, Kerry Group PLC and CRH (Cement Roadstone Holdings) PLC.

Private limited company (Ltd)

A private limited company (Ltd) is formed with a minimum of one member and with an upper limit of 99 members. A private limited company is similar in legal standing to a PLC. However, private companies are not quoted on the stock exchange and there are strict regulations regarding the buying and selling of the company's shares.

A *single-member company* (where one member owns all the shares) must have at least two directors and a secretary (who can be one of the directors).

Forming a private limited company

When forming a private limited company, the following documentation must be submitted to the Companies Registration Office (CRO) with the appropriate fee:

1. *Memorandum of Association:* a document detailing the nature of the business, the names of the directors, company secretary and shareholders involved in the business, the liability status of the company (limited by shares or by guarantee or unlimited) and the amount of share capital the company will hold.

2. *Articles of Association:* a document detailing the internal regulations of the company, e.g. how shares are transferred, how meetings are convened, how directors are elected, etc.
3. *Form A1*: a form which requires details of
   a. the name and registered address of the business
   b. the name and address of the Company Secretary
   c. the name, address, occupation and nationality of each director
   d. other directorships held by the directors
   e. a statement of the amount of authorised share capital and the money received from shares to date.

Form A1 is signed by the Company Secretary, Directors or a solicitor declaring that the Companies Acts requirements have been complied with.

When all the documents are submitted and approved, the CRO will issue a Certificate of Trading to the company and will publish notification of the formation of the company in the CRO online gazette publication. The company can then begin trading.

Features of a private company

- The company is legally recognised as a separate entity from the owners.
- In a limited company, the liability of the shareholders is limited to the amount owing on unpaid shares or the amount owing as per the guarantee agreement.
- The company is managed by a Managing Director and Board of Directors elected by the shareholders.
- Detailed documentation is required to set up a company, such as Form A1, Memorandum of Association and Articles of Association.
- The company must register its business name with the Registrar of Business Names, and must register for taxes with the Revenue Commissioners.
- A company is charged corporation tax on profits, unlike partnerships or sole traders, who are charged income tax on profits.
- Audited financial accounts (profit & loss accounts, balance sheets, auditors' reports and directors' reports) must be filed with the CRO.

Co-operatives (Co-ops)

A co-op is formed with seven or more members with an ethos of fairness, democracy and mutual benefit to all members. A co-op is based on the principle that by pooling resources and working together, better trading terms can be obtained. It is easier to raise finance and the risk to members of exposure to business debts is reduced.

On registering with the Registry of Friendly Societies, the co-op becomes incorporated, i.e. it is a legal entity separate from the members and can make business contracts, sue and be sued in the name of the co-op. The liability of the members is limited to the shares they have applied for in the co-op. Co-ops are taxed similarly to companies, but with minor exceptions. Audited accounts must be submitted annually to the Registrar of Friendly Societies.

Businesses that are formed under the co-op model include credit unions and housing and community projects, but the main co-ops in Ireland are based in the agricultural or rural sector. Co-ops are affiliated to ICOS (Irish Co-operative Organisation Society – www.icos.ie), the umbrella group that represents and supports co-operatives in Ireland.

Features of a co-op

- A co-op consists of seven or more members.
- A co-op must register with the Registry of Friendly Societies to avail of a separate legal identity and limited liability for its members.
- Members invest in the co-op by purchasing shares and appoint managers to run the business on their behalf.
- Members have an equal vote regardless of the amount of shares held.
- Shares are not directly transferable between members.
- Co-ops are charged corporation tax on profits.

Franchises

A franchise is a business model whereby an established business, the ***franchisor***, licenses or 'franchises' their product/service to another person, known as the ***franchisee***, to set up the same business in a different location. Franchises are common in the following business sectors: grocery (e.g. Spar), fast food (e.g. McDonalds), dry cleaning (e.g. Chem Dry), etc. Because the franchisee is investing in a proven, successful business, there is less risk that the business will fail.

Features of a franchise

- A franchise contract/agreement outlines the responsibilities of both franchisor and franchisee. This agreement is legally binding.
- The franchisee pays an initial capital investment and ongoing royalties based on turnover or profit (depending on the contract) to the franchisor. In return the franchisor will:
  - — assist the franchisee to locate a suitable property for the business
  - — train and support the franchisee and his/her staff
  - — supply goods and/or services
  - — be responsible for certain advertising, marketing and promotional activities

— provide support functions such as bulk buying, accounting and management services
— improve, enhance and develop the business.

- The franchisee operates the business as an owner rather than as an employee.
- The franchisee must adhere to the agreed business standards and practices; otherwise, the licence to operate the business will be revoked by the franchisor.
- Taxes and liabilities are dependent on the legal form of the business, i.e. sole trader, partnership, company, etc.

Comparisons of Business Forms

Business Form	No. of Owners	Owned By	Managed by	Liability	Tax
Sole trader	1	Owner	Owner	Unlimited	Income
Partnership	2–20	Partners	Senior Partners	Unlimited	Income
Private (Ltd)	1–99	Shareholders	Directors	Limited	Corporation
Public (PLC)	7+	Shareholders	Directors	Limited	Corporation
Co-operative	7+	Members	Manager	Limited	Corporation
Franchise	1+	Franchise (under licence)	Franchisee	Depends on form of business	Depends on form of business

The decision to form a business as a sole trader, partnership, company, co-operative or franchise depends on:
a) the number of people involved
b) the nature of the business and level of risk attached to it
c) the resources and funds necessary for the business.

Sources of Funds

A business needs a supply of funds to start or develop the business. There are various sources of finance available to businesses in Ireland, some of which are:
— *Private funds*: personal savings, assets such as properties that can be used as security against loans, loans/gifts from friends, etc.
— *Loans from financial institutions*: bank overdraft facilities, short-, medium- or long-term loans, mortgages for purchasing business premises, capital equipment loans, etc.

— *Shares*: public limited companies may be able to issue more share capital on the open stock exchange to obtain funds to finance large projects such as the acquisition of new businesses, etc.
— *Venture capital:* A young developing business is often high risk and may have difficulty raising finance from the mainstream financial institutions. Individuals or private investment companies known as 'venture capitalists' specialise in investing funds and expertise into a growing business in return for an ownership stake in that business. Finance is provided for a set period of time with an option for the business to buy back their shares at an agreed (higher) price, or the objective may be to sell the business and realise large profits for the venture capitalists and the other business owners.
— *Government grants:* Financial support is available from a variety of government agencies to help businesses in the start-up and growth phase. Grants for feasibility studies, training, research and development, purchasing capital equipment, marketing products/services, etc., can all be obtained through agencies such as Enterprise Ireland (www.enterprise-ireland.com).

Organising the Business

In a small business, all the business activities may be carried out by one person or a small number of people. For example, a sole trader will order supplies, market and sell the goods or services, negotiate finance with the banks, keep accounts, recruit and train staff. As a business grows, in both complexity and size, it is important that it is clearly structured so that everyone knows what their role is, who they are responsible to and what they are responsible for.

Once the structure is in place, rules and procedures for carrying out tasks can be developed and responsibility for the performance of these tasks can be allocated to individuals, teams or departments in the business. A large business is organised into departments, which could be marketing, finance, human resources, information technology (IT), etc., depending on the nature of the business. The formal structure of a business can be depicted by an organisation chart.

Organisation Chart

An organisation chart is a diagram outlining the work relationships between people and tasks. It shows:
a) formal lines of communication, i.e. who reports to whom
b) the framework of the business, i.e. departments
c) levels of management (or the 'chain of command').

The organisation chart does not show:
a) the duties associated with the positions shown on the chart
b) informal relationships between staff.

Organisation charts are different for different business structures. A basic organisation chart outlines the level of management in relation to authority and responsibility and is expressed as levels of management, typically as top-level, departmental-level and supervisory-level management. Management comes from the top down to the next level, and similarly a group at a particular level reports and is accountable to the level above it. Figure 1.1 depicts a simple template of an organisation chart for a company, showing three levels of management in a hierarchical structure, i.e. the general workers report to the supervisor, the supervisor reports to the department manager, etc.

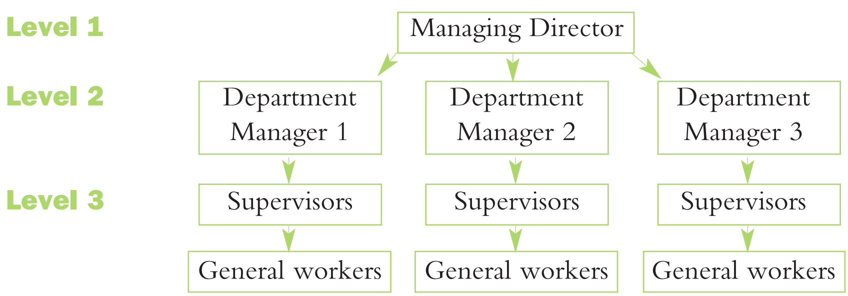

Figure 1.1 Simple template of an organisation chart

The managing director has the most responsibility and decision-making power. Departmental managers are in charge of specific activities, and they in turn delegate authority to lower-level managers, e.g. supervisors who are in charge of employees carrying out their general duties. Supervisory-level managers are usually charged with the responsibility of directing day-to-day functions and implementing disciplinary action.

Business Departments

As a business grows, both in physical size and complexity, it may be necessary to divide business activities into departments according to their function, such as:

- Production
- Marketing

- Finance
- Information Technology
- Human Resources.

These departments may be further divided as illustrated in Figure 1.2, which shows a marketing department. Divisions that may apply to other departments are discussed under the relevant type of department below.

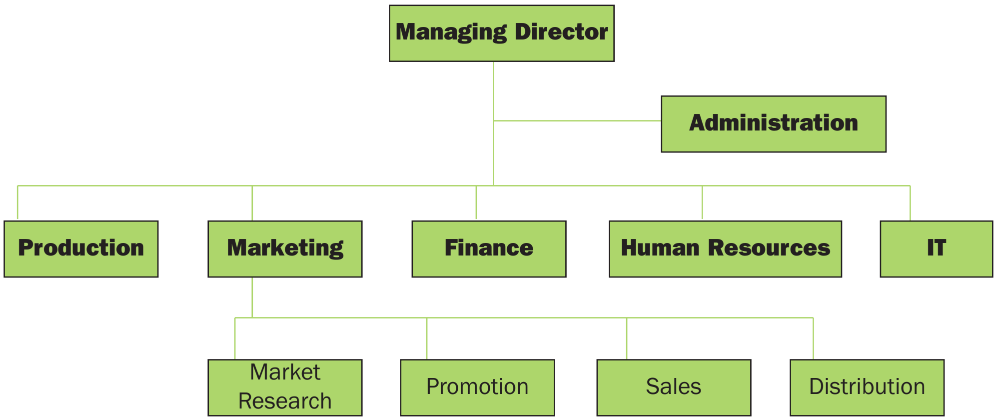

Figure 1.2 Organisation chart showing the subdivisions of a marketing department

Production Department

The production department is concerned with the complete manufacturing process, which includes: purchasing raw materials; scheduling work orders; quality control; maintaining equipment; warehousing; developing new products and improved procedures for carrying out the production process. The production department's activities can be subdivided into:

- **Purchasing:** A purchasing manager negotiates with suppliers to obtain the best available terms on prices, discounts, credit terms, and delivery. S/he ensures the quality of the materials purchased, establishes a system for ordering and is responsible for stock control.
- **Manufacturing:** The production manager must ensure that the production process is operating at an optimum level. This involves devising a schedule to minimise disruptions to the production process and liaising with the purchasing manager to ensure that raw materials are available.

  The planning and scheduling process generally uses computer software such as MRP (materials requirements planning) to facilitate materials planning and machinery scheduling, and CAM (computer-aided manufacture), which controls the production process.

At all times, the quality of raw materials used in the production process must be monitored.

- **Warehousing:** The stock control manager must ensure that correct procedures are in place for storing both raw materials and finished goods. The costs of warehousing, which can be quite significant, might include security, insurance (on premises and contents), lighting, heating, rent of premises, fit-out for orderly rotation of goods, and costs of replacing obsolete products if storage is not organised properly.

  To optimise the amount of stock in storage, a computerised stock control system is used to facilitate ordering raw materials on a 'just-in-time' basis as required by the production process.
- **Maintenance:** The maintenance team ensures that machinery and equipment are regularly maintained to avoid breakdowns in the production process. Breakdowns are a serious cost to the business in terms of production time lost in fulfilling orders and paying employees for non-productive work. Equipment should be checked regularly and a reporting procedure should be implemented to report faulty equipment, in accordance with health and safety legislation.
- **Research and development (R&D):** The R&D team is responsible for researching, designing, testing prototypes (models) of new products and devising new procedures to carry out production more efficiently. Computer software such as CAD (computer-aided design) can aid the R&D team in designing new products.

Marketing Department

The marketing department is concerned with promoting new and existing products at a price that returns a profit to the business. The aim of the marketing department is to obtain the correct *marketing mix*. The marketing mix is concerned with satisfying consumer needs and is often expressed as the **four Ps** – **P**roduct, **P**rice, **P**lace and **P**romotion:

1. What *product* does the consumer want?
2. What *price* represents value?
3. Where should the product be *placed* for convenience (i.e. in what market)?
4. How to *promote* the product.

In recent times the concept of the **four Cs** (**C**onsumer, **C**ost, **C**onvenience and **C**ommunication) has become used as a more customer-driven replacement of the **four Ps**.

To obtain the correct marketing mix, the marketing department must engage in market research to identify what the consumer requires. The marketing department activities may be subdivided into:

- **Market research:** The market research team gathers and analyses information to identify who the consumer is, what products or services are required by the consumer and how best the marketing department can meet the requirements of the consumer.

- **Promotion:** The function of the promotion team is to bring the organisation's products/services to the attention of the consumer. A promotion campaign can consist of:

1. *Advertising:* aimed at a wide audience through the media (television, radio,papers, journals, magazines, the Web and social media platforms such as Facebook and Twitter).
2. *Sales promotions:* such as samples, in-store demonstrations, price cuts and competition offers. This form of promotion is best suited to retail products such as food items, cosmetics and general household items.
3. *Publicity:* concerned with obtaining good press reports from the media. A business may gain publicity by supporting local or national events, e.g. donating money to charity or sponsoring sporting events.
4. *Personal selling:* suitable for selling products/services that require detailed demonstration or explanation on a one-to-one basis (e.g. software or financial products).

- **Sales:** The sales team has an essential role in achieving sales targets that generate revenue for the business. Besides servicing existing accounts, the sales team is constantly involved in establishing new accounts by organising appointments with potential sales outlets and attending trade shows.

  Apart from the product itself, the level and quality of service offered to a consumer can often be a distinct selling advantage. The sales team regularly monitors competition and merchandising techniques in the marketplace and supplies invaluable information directly from the consumer to the marketing research team to maximise competitive advantage.

- **Distribution:** A large business will have a separate distribution department responsible for getting the product to the final destination. In a small business the marketing department is responsible for deciding what *channel of distribution* is most suitable to get the product to the market. Once the channel of distribution is decided upon, the marketing team can organise warehousing and coordinate transport for effective delivery to the market. The three main channels of distribution are:

Manufacturer → Consumer

Typical businesses that use this channel produce customised products, e.g. specially commissioned furniture, paintings, etc.

Manufacturer → Retailer → Consumer

Typical businesses that use this channel are producers of perishable items, or where the manufacturer needs an agent or broker to distribute goods in wide geographical locations on their behalf. For example, car manufacturers will sell to an agent (garages) for sale to the customer.

Manufacturer ⟶ Wholesaler ⟶ Retailer ⟶ Consumer
Typical businesses that use this channel are manufacturers of large volume, non-perishable consumer goods such as detergents and household items.

Finance Department

The finance department is responsible for planning and controlling the finances of the business and prepares the final accounts, eg, Trading, Profit and Loss and Balance Sheet, at the end of each trading period – usually yearly. The final accounts are necessary for the Revenue Commissioners for tax purposes and other interested parties, such as shareholders, suppliers, creditors and potential investors. Financial systems (accounts receivable and accounts payable, etc.) are implemented so that an accurate statement of the trading position of the business can be established. The finance department is involved in:

- **Financial accounting:** The financial accountant is responsible for recording accounting activities, prepares the yearly final accounts, and throughout the trading year produces monthly or quarterly reports (interim reports) stating the current trading situation. This information is used by management for decision-making purposes. For example, if the first quarterly report shows that sales are falling in a particular foreign market, management may decide to invest more in advertising, employ a local agent to distribute the product or discontinue the product.
- **Management accounting:** The management accountant is responsible for analysing and controlling business costs and preparing overall budgets for the business. Budgets are spending plans, i.e. finance allocated to each department. Usually budgets are based on historical information, such as what the costs of production were last year, and what the cost is likely to be this year, given inflation, wage increases, material increases, etc. The individual departments are then required to operate within the allocated budget.

Information Technology (IT) Department

The IT manager is concerned with planning IT resources, i.e. hardware, software and networks, for the entire business. As IT is the lifeblood of any business, the maintenance and security of the entire IT system in each department is paramount. Emerging technologies are reviewed, selected and integrated to support the strategies and goals of the business. Training is provided in new software implemented by the business. The IT department activities may be subdivided as:

- **System developer:** IT systems are developed by systems analysts and programmers. Systems analysts study the work involved in each department, analysing how work is completed and why it is completed that way, and identify problems in the current system. The programmer writes the particular software application that will provide the solution to problems identified by the systems analysts.

- **Technicians:** Technicians are responsible for installing and maintaining the hardware, networks, servers and software for the business. Routine backups are performed and end user support is provided when requested.

Human Resources (HR) Department

HR is not involved with the products or services supplied by the business. It provides a service to all the departments in the business by developing employment policies and procedures that assist employees in their working environment. The HR department activities may be subdivided into:

- **Staff planning:** This is an ongoing process that aims to ensure that the business has employees who are skilled to perform the tasks necessary for the survival of the business. The planning process involves the following:
  1. *Staffing audit:* an audit to assess the current skill levels of employees and to identify requirements for the future.
  2. *Job evaluations:* an evaluation of a job is carried out to assess the level of skill and ability necessary for the job. Job evaluations are necessary to devise job descriptions and pay structures.
  3. *Recruitment, selection and training:* a combination of selection processes such as psychometric tests, aptitude tests and interviews may be used when recruiting staff. When staff have been selected, an *induction course* should be arranged so that new employees can become familiar with the business policies, their duties and responsibilities. Initial and ongoing training should be provided for staff to develop and maintain skill levels.
  4. *Performance appraisal:* performance appraisal interviews should be carried out with all employees on a regular basis (every six or 12 months, depending on the industry). The information received is used to provide extra training or support, reward staff, etc., where appropriate.
  5. *Management development:* it is important that the business has a management development policy to ensure that the management structure is effective. Training for potential managers should include courses on time management, leadership, communication, stress management and training for specific roles.
  6. *Terminations (redundancies and retirement):* the HR department negotiates with management and unions in the event of redundancies. The business may devise its own redundancy package, but it must adhere to the legal requirements. Conditions of retirement are detailed in the employee's contract of employment.
- **Industrial relations:** The HR department will facilitate at consultations between management, unions, employees and the various adjudication bodies such as the Employment Appeals Tribunal and the Labour Court.

Grievance and disciplinary procedures are usually drawn up by the HR department in consultation with other interested parties (e.g. trade union representatives and senior management) to establish guidelines for acceptable standards of behaviour at work and to provide formal channels for making complaints.

- **Health, safety and welfare:** Every business is legally obliged to provide a safe place of work. The HR department is instrumental in devising health and safety policies and ensuring that health and safety procedures are in place and monitored in accordance with health and safety legislation.
- **Remuneration:** The HR department devises reward systems so that employees are paid/rewarded in line with their duties and responsibilities. Pay structures should be clearly defined and regularly reviewed. Reward systems can include share option schemes, medical insurance, assistance with child care or further education, etc.

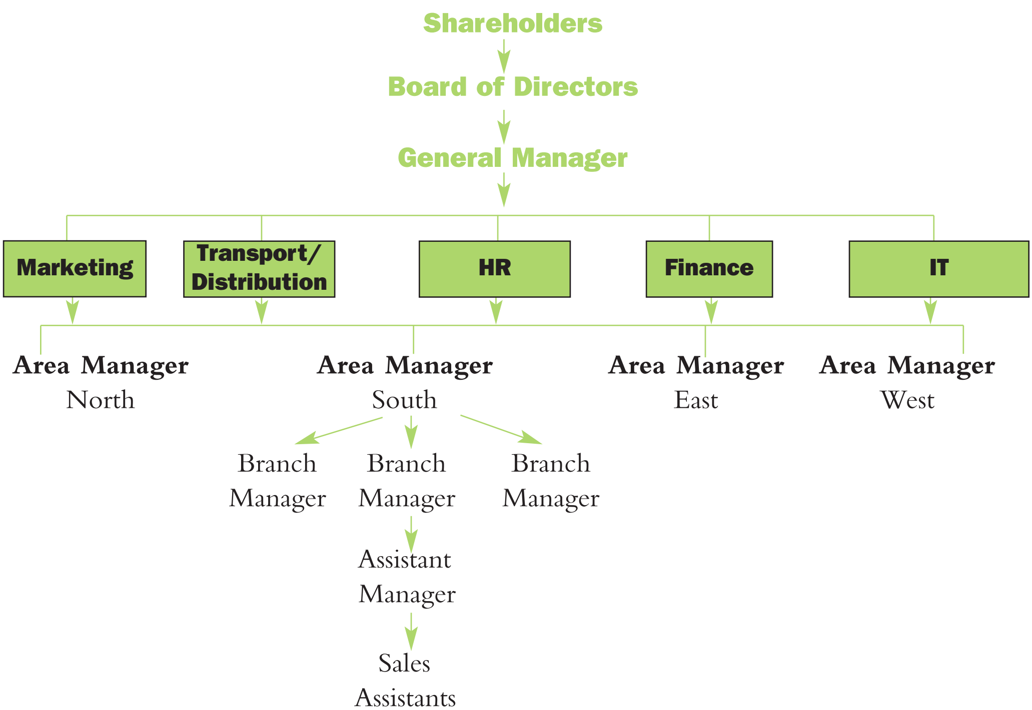

Figure 1.3 Organisation chart by geographic location – retail chain. The shaded functions are centralised and service all the branches.

Restructuring the Organisation

As a business grows in size and complexity it may establish branches in other geographical areas and some functions may be centralised, i.e. operated from head office. For example, in the organisation chart in Figure 1.3, the marketing department will co-ordinate the marketing functions for all branches, the transport/distribution department will be responsible for ensuring stock is delivered to all the branches, the HR department will carry out all the personnel activities for all branches, and the finance department will control the major financial functions such as preparing accounts, setting budgets and monitoring costs. The information technology (IT) department will be responsible for monitoring networks and information systems between the branches.

Short Questions

1. Distinguish between public sector, private sector and voluntary organisations.
2. List five legal forms of business.
3. Describe two main differences between a sole trader and a partnership.
4. Differentiate between a general partnership and a limited liability partnership.
5. State two main differences between a private limited company and a public limited company.
6. Briefly describe four features of a private limited company.
7. Create a table to contrast a private company, a partnership, a sole trader and a franchise. List four points.
8. Explain the term 'limited liability'.
9. Outline the documentation that must be submitted to the CRO when forming a private company.
10. List three benefits for both a franchisor and a franchisee who enter into a franchise agreement.
11. What is a venture capitalist?
12. List features of an organisation chart.
13. Briefly describe four activities carried out by the production department.
14. Outline the costs involved in maintaining stock in a warehouse.
15. Briefly describe four activities carried out by a marketing department.
16. What are the 'four Ps' and the 'four Cs', as used in marketing terminology?
17. List three main channels of distribution.
18. List four promotional activities a marketing department might engage in when marketing a new product.
19. What is the function of the finance department in a business?
20. Distinguish between the financial accountant and the management accountant.
21. List three main functions of an IT manager.
22. Distinguish between a systems analyst and a technician.
23. Briefly describe four activities carried out by the human resources department.
24. What is staff planning? List four activities that generally form part of the planning process.