

Chapter 1: People in Business

Mind map work:

The following pointers and explanations need to be added to your mind map:

- List and explain the 8 elements of a contract (page 10-13)
- List and explain the termination of a contract (page 13-14)
- List and explain the remedies for breach of a contract (page 14-15)

Complete the following exam questions:

Q1. Explain the following terms in relation to the law of contract, providing an example in each case.

- Capacity to Contract
- Consideration
- Legality of Form
- Consent to Contract (20 marks)

Q2. Read the information supplied and answer the questions which follow.

The band 'Stand and Deliver' officially cancelled their upcoming tour due to the death of their singer.

- (i) Explain the method of terminating the legal contract referred to in the text above.
- (ii) Outline three other methods for terminating a legal contract, providing an example in each case.

(25 marks)

Q3. (i) Explain the term co-operative relationship between stakeholders in a business.

(iii) Describe one example of a co-operative relationship which could arise between each of the following pairs of stakeholders:

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

(20 marks)

Q4. Describe one example of a co-operative relationship and one example of a source of conflict that could arise between the following stakeholders:

- Investor and Entrepreneur
- Supplier and Purchasing Manager

(20 marks)

Q5. Illustrate your understanding of the following terms in relation to a valid contract:

- Agreement
- Legality of Form
- Consideration

(20 marks)

Q6. A legal contract can be terminated by breach, frustration or agreement. Illustrate your understanding of the underlined terms.

(20 marks)