

# **Unit 1 Chapter 1**

## **LC BUSINESS 2026**

**Trends, Priorities and  
Revision Qs for the  
2026 Exam.**

**THESE QUESTIONS ARE **MUST**  
**KNOWS** NOT ALL YOU MUST  
KNOW**

**GAVIN DUFFY**

## Recent Trends And Likely Topics

Chapter Number	Chapter 1		
Chapter Name	People In Business		
2025 Must knows	Interest groups w/examples	Co-Operative relationships; consumers benefit from producers competing	Elements of a valid contract; breach / remedies; invitation to treat (short)
Chp Topics	Stakeholders	Relationships	Contract
2025		Q4 (C) (i) Explain the term a competitive relationship. (ii) Explain the benefits to a business of competitive relationships between; - two suppliers - two employees	Q1 (A) Elements of a valid contract (Consideration Capacity to Contract Consent to Contract Legality of form) (20)... Q4 (A) Methods of terminating contract - Performance Frustration Breach of contract Agreement
2024			ABQ (B) (i) explain term contract (ii) Elements of a legally valid contract (30). Q1 (A) Explain breach, remedies for breach (20)
2023		Q1 (A) Competitive relationship/ conflict between shareholders (20)	Q1 (B) Elements of a valid contract (20)
2022			Q4 (C) Remedies for Breach of Contract
2021	Short – Q10 - Interest Group w/e.g.	Q4 (B) Cooperative/Competitive relationships between producers (20)	Q1 (A) Elements of valid contract (20); Q4 (C) Methods of terminating contract (20)
2020		Q1 (A) Co-op / comp relationship Aldi w/suppliers & competitors, consumer benefit of comp relationships (20)	
2019		Short Q9 Co-operative relationship entrepreneur/investor	Q1 (A) Elements of a valid contract (20)
2018			Q1 (A) Methods of terminating a legal contract (25)
2017		Q1 (A) Definition of co-operative relationship, example of co-operative relationships between stakeholders. (20)	Short Q1 Element of a valid contract
2016			Q1 (B) Methods of terminating a legal contract (20)
2015		Q1 (A) Competitive relationship/ conflict between shareholders (20)	Q1 (B) Illustrate specific performance (10)
2014	Q1 (B) Role of interest groups (10)		ABQ (B) Elements of a legally valid contract (30)
2013			Q1 (C) elements of a legally valid contract (20)
2012			Q1 (B) Terminating a contract (20)
2011		Q1 (A) Relationship between investors and entrepreneurs (15)	
2010			Q1 (C) Illustrate Capacity to Contract
2009	Q1 (A) Role of Interest Groups (10)	Q1 (B) Consumers benefit from competitive relationships (15)	SQ8 Illustrate Consideration, 2 other elements
2008		Q1 (A) Illustrate Competitive vs Co-operative relationship (15)	SQ2 Offer vs Invitation to Treat
2007		SQ8 2 stakeholders + describe competitive relationship	SQ5 Consideration; Q1 (C) Specific Performance (10)

## CHAPTER 1 – RETRIEVAL PRACTISE – WHAT DO YOU KNOW BEFORE REVISING?

## Types of Relationships Between Stakeholders

<b>Competitive Relationship</b>	A <u>win-lose</u> relationship One party <u>benefits</u> at the <u>expense of</u> another (mutually exclusive goals)
<b>Co-Operative Relationship</b>	A <u>win-win</u> relationship Parties <u>work together</u> towards a <u>mutual benefit/common goal</u>

## Examples of relationships between stakeholders

Stakeholders	Competitive	Co-operative
Employer / Employee	Pay rise / negotiation	Paid training course
Business / Consumer	Over price	Consumer does a survey
Business / Supplier	Negotiating on price	Deliver on time, pay on time
Entrepreneur / Investor	Profits – re-invest / dividends	Finance / work = profits
2 Producers in same line	Prices, quality, customer service, choice of goods	Sharing costs of research, bulk buying together

<b>Interest Group</b>	Represents and promotes the interests of a group of people with a common interest – uses lobbying, negotiation, protests, information campaigns to influence decision makers. E.g. IBEC, ICTU, IFA
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## Elements of Legally Valid Contract

<b>Agreement</b>	Offer & acceptance; offer verbal, written, conduct, agreement of terms offered without changes to terms (counter-offer)	
<b>Consideration</b>	Something of value must be exchanged between parties	Usually money for a good, €1 for can of coke
<b>Legality of form</b>	Some need to take on a certain manner e.g. house sale written	Contract of employment
<b>Consent to Contract</b>	Enter voluntarily/own free will; can't be forced to agree a contract through threats	A contract signed under gunpoint isn't legal
<b>Capacity to Contract</b>	Parties must have the legal ability to agree ; can't be bankrupt, insane, Ultra Vires	A child/7 year old can't legally buy a house

<b>Legality of Purpose</b>	Illegal contracts e.g. drug deal aren't enforceable by law/only legal activities valid	Drug deal no legal standing
<b>Intention to Contract</b>	Awareness that the agreement is legal, not just social/domestic	Can't sue if a friend doesn't show

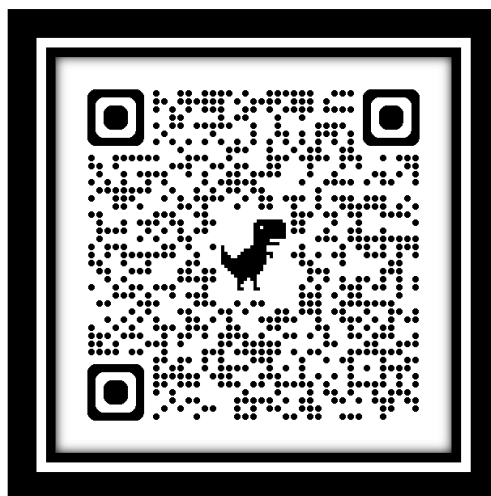
**Termination of a Legal Contract**

<b>Frustration</b>	Event occurs (death/bankruptcy) making contract impossible
<b>Breach</b>	Party breaks an essential element (condition)
<b>Performance</b>	Both sides have carried out their contractual obligations, it ends
<b>Agreement</b>	Parties decide to end contract early by mutual consent, even if not done

**Remedies for Breach of a Legal Contract**

<b>Specific Performance</b>	Court orders party to fulfil the agreed terms of the contract
<b>Financial Compensation</b>	Court orders guilty party to pay damages
<b>Rescind The Contract</b>	Court orders parties to return to initial starting position

Scan the QR code to use Quizlet flashcards that I've created on this chapter!



## CHAPTER 1 – RETRIEVAL PRACTISE – WHAT DO YOU KNOW BEFORE REVISING?

Interest Group	
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## Types of Relationships Between Stakeholders

Competitive Relationship	
Co-Operative Relationship	
+’s of comp relationships between producers	

## Elements of Legally Valid Contract

Element	Keywords	Example
A		
C		
C		
C		
L		
L		
I		

## Termination of a Legal Contract

F	
B	
A	
P	

## Remedies for Breach of a Legal Contract

S	
R	
C	

**Practise Questions on 2026 Hot Topics****(a) Stakeholders and Relationships****2021 Q4 (B)**

Describe a co-operative relationship and a competitive relationship between two producers in the same line of business. Use appropriate examples to support your answer. (20)

**MS: 2 x 10m (4 + 3 +3)**

Co-Operative

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Example:

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Competitive

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Example:

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## 2021 Q4 (B) Solution

Describe a co-operative relationship and a competitive relationship between two producers in the same line of business. Use appropriate examples to support your answer. (20)

MS: 2 x 10m (4 + 3 +3)

A **co-operative relationship** exists where both **parties work together to achieve a common goal**.

It is a win-win relationship/ a scenario of **mutual benefit**, where both sides gain and are better off afterwards than they were before.

A co-operative relationship between producers in the same line of business could exist to encourage consumption of the good.

E.g. Two rival car manufacturers share the cost of developing an in-car IT system.

A **competitive relationship** between rival businesses refers to both businesses pursuing a **mutually exclusive goal** in an effort to achieve particular objectives at the expense of the other.

It is known as a **win-lose** relationship.

Car manufacturers such as Volkswagen and Renault compete via Quality of goods, Price of goods, Customer Service, Choice of goods and services.

## 2020 Q1 (A)

*In November 2019, Aldi celebrated 20 years of operating in Ireland. Today the supermarket store has over 200 Irish businesses making products for it. The company's website states:*

*'We're committed to sourcing the very best produce from the very best local suppliers.'*

- (i) Illustrate how a co-operative relationship between Aldi and its suppliers could arise.
- (ii) Describe a competitive relationship between Aldi and its rival supermarkets.
- (iii) Outline how consumers benefit from the existence of competition between rival businesses.

**MS: (i) 7m 4(2+2)+3 (ii) 7m 4(2+2)+3 (iii) 6m (3+3) State and Explain**

(i)

E.g.

(ii)

E.g.

(iii)



**2020 Q1 (A) Solution**

*In November 2019, Aldi celebrated 20 years of operating in Ireland. Today the supermarket store has over 200 Irish businesses making products for it. The company's website states: 'We're committed to sourcing the very best produce from the very best local suppliers.'*

- (i) Illustrate how a co-operative relationship between Aldi and its suppliers could arise.
- (ii) Describe a competitive relationship between Aldi and its rival supermarkets.
- (iii) Outline how consumers benefit from the existence of competition between rival businesses. (20)

**MS: (i) 7m 4(2+2)+3 (ii) 7m 4(2+2)+3 (iii) 6m (3+3) State and Explain**

(i) A co-operative relationship exists where both parties work together to achieve a common goal. It is a **win-win** relationship/ a scenario of mutual benefit, where both sides gain and are better off afterwards than they were before.

A co-operative situation would arise when the supplier provides good quality raw materials, components and finished goods to Aldi who, in turn, pays the suppliers on time and importantly offer a fair price to suppliers.

(ii) A competitive relationship between Aldi and rival supermarkets business refers to both businesses pursuing different objectives in an effort to achieve particular objectives at the expense of the other. It is known as a **win-lose** relationship.

Aldi competes with other supermarkets, such as Tesco, via prices

**(iii) Reduced Prices**

The consumer benefits from Aldi and rival supermarkets **reducing their prices in order to attract consumers.**

Established supermarkets have been forced to lower their prices in order to compete with Aldi, Lidl etc. This is of financial benefit to the consumer.

**Other:** Sales promotions, higher quality goods

Discuss how consumers may benefit from the existence of a competitive relationship between producers. (15 marks)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

**2009 Q1 (B) Solution**

Discuss how consumers may benefit from the existence of a competitive relationship between producers. (15 marks)

**MS: Each point must show how the consumer benefits & show it is from a competitive relationship between producers 3 x 5m (2+3)**

A competitive relationship exists where each party is pursuing a common objective at the expense of the other party. It is a win-lose relationship.

Producers like Lacoste may try to **increase the quality** of their product in order to increase sales against their competitors (like Tommy Hilfiger). Customers may respond by becoming more loyal to the firm.

Consumers would benefit by getting a higher quality product from the manufacturer.

Producers like Nike or Adidas may try to **increase the range of products** (increase **choice**) available for sale to increase loyalty amongst consumers. Consumers would benefit, as there are more options available to them

Producers like Sony or LG may try to offer better **customer service** to their consumers, e.g. live chat on their webpage, more information on their products, customer care line...to outdo their competition.

Customers would benefit as they can find out better information on the product before purchasing an item like a TV.

(N.B. Make it clear in your answer that you are referring to producers, i.e. *manufacturers* and not *retailers*.)

**2021 Q10 Short**

Illustrate, using examples, the role of interest groups in business. (10 marks)

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**2014 Q1 (B)**

Describe the role of any two 'Interest Groups' in business. (15 marks)

<p>1.</p> <hr/> <hr/> <hr/>
<p>2.</p> <hr/> <hr/> <hr/>

## 2021 Q10 Short Solution

Question		Possible Responses	Max Mark
10.		<p><b>Illustrate, using examples, the role of interest groups in business.</b></p> <p>Interest groups are organisations that represent the common viewpoint, objectives and goals of a particular group of stakeholders. Interest groups are known as pressure groups or lobby groups.</p> <p>Interest groups seek to influence decision makers by lobbying, media campaigns, public protests, boycotts and possible legal action.</p> <p>E.G. IBEC lobbied the government to ease restrictions so that businesses could reopen. IBEC lobbied the Irish government to provide grants to businesses who need to implement safety measures. IBEC lobbied the government to not increase the national minimum wage where as ICTU would lobby the government to increase the national minimum wage.</p>	<p>10</p> <p>6m</p> <p>3m + 3m</p> <p>4m (2+2)</p>

## 2014 Q1 (B) Solution

Describe the role of any **two** 'Interest Groups' in business. (15 marks)

**MS: Interest Groups x 2 - Name 6m(3+3) / role 6m(3+3) / methodology 3m**

An interest group (**a group which represents a group/stakeholders with a common objective**) seeks to **influence decision and policy makers affecting its members**, through various actions including **negotiation, lobbying, information campaigns, public protests, boycotting** and possibly legal action.

**Irish Business and Employers Confederation (IBEC)**

- This is a union for business **owners** and employers.
- **Represents** employers on industrial relations matters with their employees.
- **Negotiates** with government and ICTU on **wage agreements**.

**Irish Congress of Trade Unions (ICTU)**

- **Represents** almost all trade unions in Ireland.
- **Negotiates** national agreements with government and employers.
- **Promotes** the principles of trade unionism through **campaigns** and policy development.
- Provides **information, advice** and **training** to **unions** and their **members**.

**(b) Contract Law: Elements, Termination, Remedies****2010 Q1 (C)**

In relation to the Law of Contract, illustrate your understanding of *Capacity to Contract*. (10 marks)

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E.g.

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**2009 Short Q**

(a) Explain the legal term 'consideration'.

(b) Outline two other elements of a legally binding contract.

(a)

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(b) 1.

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2.

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**2017 Short Q1**

Column 1: Terms	Column 2: Explanations
1. Specific Performance	A. Some contracts must be in writing to be legally valid.
2. Legality of form	B. A way of terminating a legal contract.
3. Performance	C. The mutual exchange of something of value in a contract.
4. Consideration	D. Each party chooses to enter a contract voluntarily.
5. Capacity	E. A remedy for breach of contract.
	F. The legal right to enter into a contract.

1	2	3	4	5

**2010 Q1 (C) Solution**

In relation to the Law of Contract, illustrate your understanding of *Capacity to Contract*. (10 marks)

**MS: Explanation 5m and Example 5m**

Capacity to contract means that all natural persons (human beings) and legal/corporate persons, such as companies, have the legal right to enter into a contract. It is the legal ability to enter a valid contract.

If the company acts beyond its legal powers it is said to be acting '**Ultra Vires**'.

The following people generally don't have the capacity to contract: infants, persons under the influence of drink or drugs, insane or bankrupt persons.

**2009 Short Q Solution**

(a) Explain the legal term 'consideration'. (b) Outline two other elements of a legally binding contract.

**MS: (a) 4m (2+2); (b) 6m (1m+2m x 2)**

(a) Each party in a contract must exchange **something of real value** to the other party. Consideration is usually in the form of money but it could also be something valuable exchanged as part of the contract.

(b) (1) **Legality of Purpose:** A valid contract cannot be for something illegal, e.g. a drug deal.  
(2) **Legality of Form:** For some contracts to be valid, they must be in a certain form, e.g. the sale of a house must be in writing to be legal.

**2017 Short Q1**

Column 1: Terms	Column 2: Explanations
1. Specific Performance	A. Some contracts must be in writing to be legally valid.
2. Legality of form	B. A way of terminating a legal contract.
3. Performance	C. The mutual exchange of something of value in a contract.
4. Consideration	D. Each party chooses to enter a contract voluntarily.
5. Capacity	E. A remedy for breach of contract.
	F. The legal right to enter into a contract.

**Answer: 1E; 2A; 3B; 4C; 5F**

**2019 Q1 (A)**

**Q1 (A)** Explain each of 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**

**MS: 4@5 (3+2); 3m for the keywords and 2m for the example**

Capacity to contract

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E.g.

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Consideration

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E.g.

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Legality of form

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E.g.

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Consent to contract

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E.g.

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**EXAM TIP**

An example of an **invitation to treat** would be a price tag on an item – this is not an offer (so is not an element of a legal contract), it is just a suggestion as to what bid might be accepted. A consumer is free to bid any price for an item and the seller is free to reject any offer, even if it is the same as the price tag.



## 2019 Q1 (A) Solution

**Q1 (A)** Explain each of 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**

**MS: 4@5 (3+2); 3m for the keywords and 2m for the example**

**Capacity to Contract**

The **legal ability or power** to enter in to a legal contract.

E.g. adults have capacity but a **child that is under 18 doesn't have the legal power** to enter in to a contract to buy a house for example

**Consideration**

Consideration is the **items of value that must be exchanged between parties** for a contract to be considered valid.

E.g. **Giving €3 to a café and getting a coffee back** – both the money and drink are consideration as they are of value. A charity donation isn't a contract as an item of value isn't given back to the person donating.

**Legality of Form**

Certain contracts must take on a **particular format, like be in writing**, to be legal.

E.g. When **buying a house, an oral agreement isn't sufficient** to be valid, it must be in writing.

**Consent to Contract**

All parties in a contract must **give their real permission and not be threatened or forced to agree** to enter a contract.

E.g. If a person is **forced to sign a contract at gunpoint** it can be ruled invalid by a court if proven

Capacity	1
(A) 1. <u>The Ability / legal power to enter a contract</u>	3
E.g. <u>A director acting Ultra Vires has no capacity.</u>	2
Consideration	
<u>Something of value must be exchanged between parties.</u>	3
E.g. <u>€1 for sweets in a shop - the €1/sweets are consideration</u>	2
Legality of Form	
<u>To be legal some contracts must appear in a certain manner / format.</u>	3
e.g. <u>The deeds for a house must be written + signed.</u>	2
Consent to Contract	
<u>Parties must give free / real agreement of their own free will.</u>	3
e.g. <u>A contract would be void if someone was forced to sign under gunpoint.</u>	2

**2022 Q4 (C)** Outline three remedies for Breach of Contract.

MS: 2 x 7m (4+3) 1 x 6m (3+3)

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2022 Q4 (C) Outline three remedies for Breach of Contract.

MS: 2 x 7m (4+3) 1 x 6m (3+3)

Question

Q 4

Start each question on a new page

Part

(C)	<p>Specific Performance ✓4</p> <p>A court orders both parties in a contract to fulfil what was initially agreed upon by both parties. ✓3</p>
	<p>Rescind the contract ✓4</p> <p><del>Both parties</del> Both parties go back to the situation they were in before agreement was made. It is as though the contract never existed. ✓3</p>
	<p>Financial Compensation ✓3</p> <p>A judge can order one party that broke a condition of the contract to pay money to compensate the injured party who may have suffered a loss. ✓3</p>