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Chapter 8: Legal Issues—Checkpoint Solutions

Checkpoint 8.1

1. List the factors that make a contract a binding agreement.

Answer: For a contract to be considered a binding agreement, it must have an offer, mutual acceptance, consideration, and the capacity to enter into a legal agreement and in proper form.

2. Name three common contracts used in business.

Answer: Commonly used contracts include leases, sales contracts, and service contracts.

3. How can entrepreneurs protect their businesses against civil lawsuits?

Answer: Entrepreneurs can protect their businesses against civil lawsuits by purchasing insurance.

4. What are intellectual-property laws?

Answer: Intellectual-property laws protect the creators of ideas, inventions, and processes.

5. What is a patent?

Answer: A patent is the right granted to an inventor to protect an invention. The patent is issued by the US government and grants the rights to exclude others from making, using, offering for sale, or to sell someone else's invention.

Checkpoint 8.2

1. List four important workplace laws.

Answer: Workplace laws and regulations can be grouped into four areas: labor relations, compensation and benefits, health and safety, and equal employment opportunity

2. Give two examples of labor-relations laws.

Answer: The National Labor Relations Act established a collective bargaining law which allowed employees the right to vote to establish a union. The Immigration Reform and Control Act required businesses to verify that their employees meet the citizenship requirements to work in the United States. The Worker Adjustment and Retaining Notification Act protects employees, their families, and communities by requiring most employers with 100 or more employees to provide an advance notification of 60 days if a plant is closing and employees will be laid off.

3. Explain what health-and-safety laws are and their importance.

Answer: Health-and-safety laws focus on safe working conditions for those in the workplace. These laws dictate that the workplace is free from serious recognized hazards and comply with standards and rules of the Occupational Safety and Health Act (OSHA).

4. Describe equal-employment-opportunity laws and why they are important.

Answer: Equal-employment-opportunity laws ensure that all workers are given equal opportunity for employment. A large number of labor relations laws have been passed to reduce discrimination in the workplace.

5. Discuss the importance of consumer-protection laws.

Answer: Consumer-protection laws are important because they protect consumers from products that can create an unsafe environment. Products deemed unsafe can also be recalled.