The business that I am going to set up is a Book Shop. I have decided to open a bookshop, as there is a high demand of books in my local area. My bookshop will be selling books that meet the requirements of my customers. My book shop will be providing books of all sorts e.g. fiction, non fiction, comedy, drama, thriller etc. My two main competitors are WH Smith and Waterstones. They are based in the middle of Leicester. I am targeting at the age group of 16 -20 years old, as there is a high demand of books in this particular age group. I will not be selling second hand books as from my research I have found out that my audience like to buy books that are up to date and new. I will be expecting 100 customers per week, which is approximately 400 customers per month. My bookshop will open 6 days a week and will employ 2 part time workers and one full time. The working days will be normal so, the product is available for my customers on time.

I am going to set up my business as a Sole Trader; it is in the private sector. A sole trader is a business, which is owned by just one person. The owner can employ any number of people he/she wants to. Some types of businesses need to obtain a special permission before trading: -

- Once turnover reaches a certain level sole trader must register for VAT
- They must pay Income Tax & National Insurance contributions
- Some business activity need a licence such as sale of alcohol
- Planning permission is needed in certain location
- A sole trader must comply with legislation aimed at business practice e.g. Health & Safety conditions for their employees.

The advantages of a Sole Trader are: -

- There are not a lot of legal restrictions so, it is easy to set up
- Any profit made after the tax is kept by the owner
- The owner is the boss and is in complete control to make all decisions
- The owner has the flexibility to choose the hours of work he/she want to do
- Sole Trader can be set up with little capital
- Personal contract with customers can encourage consumer loyalty

On the other hand, the disadvantages of a Sole Trader are: -

- Sole Trader has unlimited liability so, if the business has to pay any debts, the owner is responsible and may find difficult to borrow money from banks
- The owner has to work long hours and cannot afford to be off sick
- The money used to set up the business is often the owners savings; so they might find it difficult to raise money
- If the owner is off sick, there is no one to cover the job
- There is no one to share ideas with or take advice of
- Small businesses are often unable to benefit from bulk purchase discounts
- The business relys on the ability of one person only. If that person loses interest or dies than the business will be ceased

Overall, a Sole Trader can trade under his/her own name; the business name does not have to be registered. You could also start up with little expense and formality.

There other alternative types of ownerships that I could've used than a Sole Trader, as each of them have their own speciality.

PARTNERSHIP

It is defined in the 'The Partnership Act 1890' as the relation with 'joint owners'. The 'joint owners' will share the responsibility for running the business and also share the profit. Partnerships are often found in professions such as accountants, doctors, estate agents, solicitors etc. There are no legal formalities to complete when a partnership is formed. However, partners may draw up a 'DEED OF PARTNERSHIP'. This is a legal document which states partner's rights in the event of a dispute. It covers issues such as -

-How much capital each partner will contribute
-How profits will be shared amongst partners
-The procedure for ending the partnership
-How much control each partner has
-Rules for taking on new partners

If no 'DEED OF PARTNERSHIP' is drawn up, the arrangements between partnerships will be subject to the Partnership Act.

The advantages of partnerships are:

- There are no legal formalities to complete when setting up the business
- Each partner can specialise, this may improve the running of the busi ness
- More owners means more finance can be raised if the firm was a sole trader
- Partners can share the workload, they will be able to cover for each other for holidays and illness, they can also exchange ideas and opinions when making decisions
- As this business is larger than the sole trader, it is in a strong position to raise more finance from outside the business

The disadvantages of partnerships are that:

- Individual partners have unlimited liability which means each partner is equally liable for debts
- Profits have to be shared amongst more owners
- Partners may disagree
- The partnership ends if one of the partner dies
- Any decisions made by one partner is legally binding on all other partners
- Partners have unincorporated status so, partners can be sued by customers

Overall, in partnerships, it is possible to start up a business with others as partners, either by buying into the existing partnership or be creating a new one. In partnerships ideas have to be shared with other partners and decision has to be agreed for the success of the business.

PRIVATE LIMITED COMPANIES

Private Limited Companies are one type of Limited Company. The business tends to be relatively small although well known. The business name ends in Limited or Ltd. Shares can only be transferred if all shareholders agree. The directors of these firms tend to be shareholders and are involved in the running of the business.
The advantages of Private Limited companies are:

- Shareholders have limited liability. As a result more people ar e prepared to risk their money
- More capital can be raised as there is no limit on the number of shareholders
- Control of the company cannot be lost to outsiders as shares can only be sold to new members if shareholders agree
- The business will continue even if one of the owner dies

The disadvantages are:

- Profits have to be shared out amongst a much larger number of members
- There is a legal procedure to set up the business, this takes time and also costs money
- Firms are not allowed to sell shares to the pub lic, this restricts the amount of capital that can be raised
- Financial information filed with the registrar can be inspected by any member of the public so, the competitors could take advantage of this
- If one shareholder decided to sell its shares it may t ake time to find a buyer

PUBLIC LIMITED COMPANIES
Public Limited Companies are larger than Private Limited Companies. The company name ends in plc. The shares can be bought and sold by the public on the stock exchange. The advantages of Public Limited Company are same as of Private Limited Company:

- Huge amount of money can be raised from the sale of shares to the public
- Production cost may be lower as firms may gain economies of scale
- Financial institutions are more willing to lend loan to plc so, it i s easier to raise finance
- The firms still continues if one owner dies

The disadvantages are:

- The setting up cost can be very expensive
- As anyone can buy shares, it is possible for an outsider to take control of the company
- The company accounts can be in spected by members of the public therefore, competitors take this to their advantage
- Due to their size, they are able to deal with their customers at a personal level
- The way they operate is controlled is controlled by various company acts which aim to protect shareholders
- There may be a divorce of ownership and control which might lead to the interests of the owners being ignored to some extent.

Overall, public limited companies are very large and have millions of shareholders.

CHARITIES

Charities are organisations with every specialised aims. Their aims is to raise money for a ‘good’ cause e.g. age concern is a charity which raises money on behalf of senior citizens. Charities rely on donations for their revenue. Charities generally run according to business principles. They aim to minimise cost, market themselves and employ staff. Most staff is volunteers.

FRANCHISE

Franchise is an agreement where a business (the franchisor) sells the rights to other businesses (the franchisees) allowing them to sell products or use the company name. The benefit to the franchisor might be:

- using the specialist skills of a franchisee
- the market is increased without expanding the firm

C1
CASE STUDIES

The two case studies show why businesses change their ownerships from Private Ltd to PLC or form PLC to Private Limited. Case study one was 'The Virgin Management Buy Out', it shows in 1988 Richard Branson bought back Virgin Group (VG). He had started his record group in 197 0 which grew rapidly. He also opened his new Virgin Atlantic Airlines. As Branson wanted to expand his airline service by buying Thorn EMI, he changed Virgin Group's ownership from Ltd to PLC in 1986 to collect additional capital. This is one of the mai n reasons why businesses change to PLC to take advantage of wider market and to get more shareholders. In 1987 the stock market crashed and brought VG market share down from 140p to 83p. Being a PLC Branson did not have full control over VG so, with the aid of £182 syndicated loan Branson bought back VG and changed it again to Private Limited Company.

Being a Private Limited Company no outsider can interfere in anyone's business so, this could be one of the reasons why businesses change their ownership s. Once businesses change their ownership from LTD to PLC it changes everything. They loose control of the business and when the original owners want back control of it, they have to face many complications. Either the price gets too high or other shareholders may not agree to sell their shares. Same thing happened to Branson as he had to get a loan to get VG back.

The second case study is 'Saga family is bid to go private'. This article is about saga PLC which operates tours over sixties. This co mpany is also thinking about changing ownership back to Ltd. It is a successful company owned by The De Haan Family. The founder of Saga decided its ownership to PLC in order to collect some extra capital as well. They also were afraid of not having enou gh money to keep saga running for long time.

The De Haan Family owns 63% of Saga and they need £20m to but it back. The shares have increases from 66p to 293p. As mentioned above in PLC companies no one has full control over the business. External shar eholders can affect the way company runs. The Haan Family have enough capital to change back to Ltd so they can run the business in their own way.

The above two case studies show that being a PLC helps to collect extra for businesses but at the same they lose overall control of the business, which is a down side as they don't have full control of the business they created. This is probable the reason why some businesses change back to Ltd.

E2, C3

CRIMINAL OFFENCES: In criminal offences appeal can be made against sentence. It can be safe on basis of question of law. A fit case for appeal based on the leave of the court or the judges can also be shown. The important case in 1993 Crown against Clinton shows that prosecution has no right in appeal against acquittal on indictment. The attorney general made refer to the court of appeal regarding point of law.

Criminal Cases Review:

- Criminal Appeal Act 1995 established a commission to refer to the courts cases of possible wrongful conviction or sentence
- Commission mat refer to the Court of Appeal convictional sentence which has been tried or they can refer to the Crown Court any Convictional sentence based on summary offence.

INDICTABLE OFFENCES: There are the more serious offences, such as rape and murder. They can only be heard by the Crown Court. The indictment is a formal document containing the alleged offences against the accused, supported by brief facts.

SUMMARY OFFENCE: This can only be tried at the Magistrates Court. Examples of summary offences are criminal damage causing less than £5,000 worth of damage, drink driving and driving without insurance. These are minor cases. ‘Summary’ refers to the process of ordering the defendant to attend the court by summons, a written order usually delivered by post.

OFFENCES TRIABLE EITEHR WAY: These offences may be tried in either the Magistrates Court or the Crown Court. Common examples are theft and burglary.

EUROPEAN LAW:
TREATY OF ROME ACT 1957:

THE Treaty of Rome is also known as the Treaty establishing the European Economic Community. This treat placed down the condition for economic community, including the development of the internal market and the common agricultural policy and the structure of the Community institutions. The concept of qualified majority voting was introduced, while many areas were under agreement. There were provisions drawn up in this treaty that after the initial period, a number of areas under agreement would pass to qualified majority.

The Treaty of Rome was set up by the EEC (European Economic Committee). This was a steel and agricultural union of European countries. EU countries decided that instead of competing with ach other they would work together. The EU countries set EEC to remove trade barriers between them and form a “common market”. Agricultural union was named CAP (common Agricultural Policy). They created this union to make sure that the European farmers get well paid. UK joined the EEC in 1972, which was 15 years after it was formed.

TREATY OF MAASTRICHT ACT 1992:
The treaty of Maastricht created a single market and is also known as Treaty of European Union (TEU). It changed its name form EEC TOEU (European Union). It was signed in Dutch Town; it forms a turning point in the Euro pean mixing process. In the EU 15 countries have one single market. Companies used to pay tariffs as taxes on exporting things as there were barriers to trade. The single market actually broke all the barriers. The concept of the Three Pillars of the U nion was introduced in this treaty, the first or economic pillar - the Treaty establishing the European Community, the second pillar - the Common Foreign and Security Policy, developed from the provisions introduced by the single European Act, and the thir d pillar – Judicial and Home Affairs.

SINGLE MARKET EUOPEAN ACT 1986:

The Single European Act (SEA) was the first major review of the Treaty of Rome. There was a great amount of happiness amo ng European Community members in 1980. Leaders from the busin ess political worlds were keen to match u the laws between countries and work out the policy differences. A commission was formed to find out whether a single/common market was possible in Europe countries and what need to be done to make one. The commis sion put forth the proposals that became the Single European ACT.

The aim was to remove remaining barriers between countries and to increase coordination, and this result to increasing the competitiveness of European countries. It improved the operating procedures of the organisations and Qualified Majority Voting was extended to new areas. An aim of a single market by 1992 was set.

The act also formally introduced the concept of the European Political Cooperation which was the foundation of the Europea n Union's later common Foreign and Security Policy. The act was signed at Luxembourg on February 17, 1 986 and at The Haque on February 28, 1986. It went into effect on July 1, 1987.

DISTINGUISH BETWEEN TREATIES, DIRECTIVES AND REGULATIONS:
TREATIES
A treaty is a binding agreement under international law concluded by subjects of international law, namely states and international organisations. The treaties can be called by many names: treaties, international agreements, protocols, covenants, exchanges of letters, exchanges of notes etc. However all of these are equally treaties and the rules are the same regardless of what the treaty is called.

DIRECTIVES
These are Regulations and laws which are binding on Member of State Governments. They are different from regulations in which they allow the member state to be more flexible in the timing and method of their working.

The European Union is unique among international organisations in having a complex and highly developed system of internal law which has direct effect within the legal systems of its member states. In contrast to nations such as the United

States, European nations subscribe to the principle that international law adopted by a nation overrides the national laws of its member states.

REGULATIONS

The return earned or allowed to e earned by a utility enterprise, calculated as a percentage of its fair value or rate base. Under the traditional regulatory system, state public utility commissions (PUC's) set retail rates for electricity, bas ed on the cost of service, the capital cost of the power , transmission and distribution plants, all operations and maintenance expenses, taxes and the costs to provide programs often mandated the PUC for consumer protection and energy efficiency.

HOW THE LAW IS DIVIDED UP INTO DIFFERENT AREAS

CNSUMER LEGILSATION

SALES OF GOODS ACT 1979:

The goods and services are actually advertised to meet its description. It helps buyers to take recompense/actions when their purchase goes wrong. The act also states what you sell should fit its description, purpose and be satisfactory quality. The supplier has to sort out all problems. Businesses should follow the act to build a good customer relationship. The Office of Fair Trading are permitted by The Control of Misleading Advertisements Regulations (CMARs) to take legal action against any business if their advertisements are misleading or making unfair comparisons with identified competitors.

CONSUMER PROTECTION ACT 1987:

The Act states a civil law right of r edress for death or injury caused by using defective consumer goods. The right now lies against any supplier including the manufacturer or importer, rather than simply the person from whom the goods were purchased as was formerly the case. The Act establishes a 'general safety requirement' namely, that all goods for domestic use must be reasonably safe. The requirement has extended even further with the Service's involvement with the safety of goods. This was limited to those areas for which regulations had been made, such as toys, pushchairs, gas cookers etc.

HM Customs are in charged of the whole Service in checking goods at point of importation. The faulty goods may be destroyed. These safety provisions have been extended by the General Product Saf ety Regulations 1994 which applies the requirement to be safe to all domestic consumer goods.

CONSUMER CREDITACT 1974:

This Act requires most businesses that offer goods and services on credit or lend money to consumers to be licensed. Trading without a license is a criminal offence and can result in a fine and/or imprisonment. This act also requires certain credit and hire agreement to be set out in a particular way and to contain information.

If a consumer credit business deals with first charge mort gages, payment protection insurance and other types of insurance, then you may need permission from the Financial Services Authority to sell or administer regulated mortgage contracts and general insurance contracts. If you carry on mortgage or general in surance business without permission or arranging to exempt, you may risk a fine or imprisonment.

TRADE DESCRIPTION ACT 1968:
This Acct makes an offence to apply a false or misleading description to goods and to supply or offer products to which a false o r misleading trade description is applied. The description of goods that are considered to be trade descriptions are quantity or size, methods of manufacture, composition, fitness for purpose, place or date of manufacture, other history etc. The buyer an d seller both enters into the legal binding contract which cannot be cancelled without agreement if something is bought or sold. Legal responsibilities are placed on both parties. Some are result of express items and some result of unspoken terms from le gislation like the Sales of goods Act 1979.

THE ADVEETISING STANDARD AUTHORITY ASA:
The ASA is the independent body set up by the advertising industry to monitor the rules laid down in the advertising codes. All complaints whether about adverts in print or online or in air goes to ASA. It is assessed by specialist staff. ASA was formed in 1962 by UK advertising industry and its aim is to serve a better service than it was served before.

COMPETITION LAW
COMPETITION ACTS 1980-1998:
UK competition has wide range powers to investigate and take action against anti - competitive activity in the UK. The competition act is primarily aimed at resolving problems with the way that market works. You do not have to directly involved in an activity to make a complaint. You can get in touch with the ORR if you suspect that any company supplying services relating to railways is involved in activities that are prohibited by the Competition ACT 1998.

FAIR TRADING ACT 1973:
This Act establishes the post of Director Gener al of the Office of Fair Trading. Under the Act, the Director General has a general duty to keep under review trading practices in the United Kingdom which may affect the economic interests of consumers. The duties are to publish are to publish informatio n and advice for consumers. He also encourages trade associations to prepare odes of practice which helps safeguard and promote the interest of consumers.

The Director General (Under part III of the act) has power to take action against traders who continually break the law. If he can show the trader has persisted in an unlawful course of conduct which is against the interests of consumers, he can then seek a written assurance from the trader that this conduct will stop. If the trader refuses then the Director General can apply to the Court for an order. A trader who breaches a court may be liable to heavy fine, or even imprisonment.

EMPLOYMENT LEGISLATION/POLICY
TRADE UNION LAW ACT 1984:
This act was designed too ensure that trade unions:

- Become liable to be sued by employers as a strike is authorised without a secret ballot of the membership.
- Elect or re elect voting members of the union’s national executive at least every five years.

HEALTH & SAFETY ACT 1974

It raises the standard of safety and health for all individuals at work and to protect the public visitors and contractors whose safety may be put at risk by the activities of people at work. All employers are required to produce a written statement of their general policy. Employers are required to set out the policy in three sections:

Statement of policy: This requires the employer to set out a general statement of aim with regard to health & safety. It should be stated in simple terms, what the general aims are with regards to employees health & safety. It may also include duties of employees to ensure the health & safety of others and themselves.

Safety organisations: This part sets out personnel with responsibility for safety function from senior management down, and the chain of communication between these persons.

Safety arrangements: This section of the policy deals with the system and procedures that you have to minimise the risks created by your work activities. It should not be a list of do's and don't. A few general areas that may be considered are:

- Accident reporting and investigation procedures
- Arrangements for ensuring satisfactory first aid cover
- Emergency procedures in the event of accidents, fire etc.
- Arrangements for handling chemicals (COSHH)
- Manual handling
- Procedure for the effective maintenance of work equipment, electrical equipment, gas equipment etc.
- Arrangements for identifying training needs and for security sufficient training on recruitment
- Procedures for visitors and contractors

MINIMUM WAGE ACT:

The national minimum wage is an important cornerstone of Government strategy aimed at providing employees with decent minimum standards and fairness in the workplace. It applies to nearly all workers, it helps the business by ensuring companies will be able to compete on the basis of quality of the goods and services they provide and not on low prices based predominantly on low rates of pay.

SEX DISCRIMINATION ACT 1975 & 1986:

This ACT makes illegal sex discrimination against individuals in the areas of employment, education, and the provision of goods, facilities and services and in the disposal or management of premises. It also disallows discrimination in employment against married people. It is not unlawful to discriminate against someone because they are not married. This act applies to women and men of any age, including children. Discriminatory advertisements are unlawful but only the Equal Opportunities Commission can take action against advertisers. There are some general exceptions to when sex discrimination is unlawful. The main exceptions are:

- When charity is providing a benefit to one sex only,
- When people are competing in a sport in which the average women is at a disadvantage to the average man because of physical strength etc,

- In insurance where the discriminatory treatment reasonably relates to actuarial or other data.

RACE RELATIONS ACT 1968 & 1976:
This act makes it lawful to discriminate at the work place against any person on grounds of colour, race ethnic or national origin. This act makes it unlawful to refuse employment, training or promotion on these grounds, or to select someone for dismissal on grounds of race.

The 1976 act set up the Commission of Racial Equality with power to investigate ad issue non discrimination n otice against employers or trade unions in a discriminatory manner.

DISABILITY DISCRIMINATION ACT:
The Disability Discrimination Act (DDA) was passed in 1995 to end the discrimination that many disabled people faced. It protects disabled people in:

- Employment
- Access to goods, facilities and services
- Education
- Management, buying or renting of land or property

CIVIL CASES:
These cases involve civil law. A civil case can be started by the individual or business who wishes to make a claim against another pe rson. In short it is a matter or case pertaining to the private right of an individual.

CRIMINAL CASES:
These cases are set up by the Criminal Appeal Acct 1995. The purpose of this act was to investigate possible miscarriages of justice in criminal ca ses.

HIERACY OF COURTS
CROWN COURT:
This is a court where more serious criminal offences are heard. A judge takes charge of the hearing to make sure the evidence is properly presented and the law in the case is fully understood. A jury is responsible fo r deciding the verdict. If the defendant is found guilty the judge will take into account the circumstances of the case, previous convictions and possibly the background of the defendant.

QUEENS BENCH DIVISION:
It is the biggest division of high court with over 60 judges. Cases connected to the County law and the TORT law are tied here. Smaller cases are dealt with the County Court. This court also has specialist courts, the Commercial Court and the Admiralty Court.

COURT OF APPEAL:
This is made up of Civil Division and a Criminal Division. The Civil Division hears Appeals against decisions Appeal Tribunal, The Immigration Appeal Tribunal and the Lands Tribunal. The Criminal Division has the power to revise sentences or cancel a conviction. A further appeal from the Court of Appeal may be made to the House of Lords but only with permission of either the Court of Appeal or the House of Lords.

CIVIL COURT OF APPEAL

CIVIL COURTS:

This court hers cases which involves civil law. They deal with dispu tes between individuals or an individual and a business.

HOUSE OF LORDS:

It is the final appeal court of the English legal system. The judges are called the law lords. It only hears appeals on points of law. In criminal cases, this must be a point of law of general public importance. It is also necessary to get permission to appeal from either the House of Lords or the court from which the appeal is coming.