

Subject Content	What students need to learn?
1.5.3 Legislation and business	<p>The purpose of legislation:</p> <ul style="list-style-type: none"> ● principles of consumer law: quality and consumer rights ● principles of employment law: recruitment, pay, discrimination and health and safety. <p>The impact of legislation on businesses:</p> <ul style="list-style-type: none"> ● cost ● consequences of meeting and not meeting these obligations.

Legislation: Laws passed by acts of parliament; breaking these laws may result in a fine or even a prison sentence.

Principles of employment law: Parliament passes laws to protect employees from being exploited at work.

Recruitment: The main law involved in recruiting new staff is the Equality Act 2010. This brought together many other acts of parliament focused on preventing discrimination to certain characteristics.

Pay: Equal Pay Act 1970. Prevent pay differences between different groups of people e.g. men and women, age, race.

Discrimination: Prevent issues with regards to recruitment, promotion, men, women, race, religion.

Health and Safety: Health and safety at work act 1974. Employers must protect the 'health, safety and welfare' at work of all their employees, as well as others on their premises, including temps, casual workers, the self-employed, clients, visitors and the general public.

Principles of consumer law:

Consumer law: Acts of parliament that are intended to protect consumers from misleading or dangerous practices by companies.

There are two especially important pieces of consumer protection legislation:

Consumer Rights Act 2015:


This act states that:

- Goods must be fit for the purpose in which they are sold
- The buyer has their right to get their money back or could have it repaired at the seller's expense
- The person responsible for correcting any problems is the seller (shop) not the manufacturer

Trade Descriptions Act 1968:

This act states that:

- It is an offence for a trader to use false or misleading statements
- It is an offence to misleadingly label goods and services
- The act carries criminal penalties and can therefore lead to a jail sentence.

The impact of legislation on business	
Negatives	Positives
Lots of paper work that is not always relevant, time consuming and expensive	Helps a business to know what is acceptable and what is not
Rules can restrict creativity and initiative	Rules do take time and money, but not enough to ruin the business and their success
	Consumer protection law is too valuable to dismiss – stop people dying from unsafe cars, faulty food or drugs