Name: Class:

Date Taken: Total Possible Marks: 34

tutor2u

Stakeholders in a Business

Complete the following questions in the time allowed by your teacher

QUICK DEFINITIONS

Write a short, accurate definition for each of the following key terms. (2 marks for each good quality definition)

_ /2 1. Define: stakeholder

_ /2 2. Define: shareholder

_ /2 3. Define: manager

_ /2 4. Define: director

QUICK LISTS

In this section, provide an outline or list points which answer the question

_ /3 5. List three key internal stakeholder groups in a business

A.

B.

C.

5 6. List up to five external stakeholder groups in a business

A. ______

B. ______

C. ______

D. ______

E. ______

F. ______

G. ______

4 7. Outline a likely objective for each of four stakeholders in Dominos UK - the leading provider of takeaway pizzas in the UK

A. ______

B. ______

C. ______

D. ______

E. ______

F. ______

G. ______

3 8. Outline three ways in which a business that "adds value" can meet the needs of stakeholders

A. ______

B. ______

C. ______

D. ______

3 9. Outline three ways in which the objectives of two stakeholder groups might come into conflict with each other

A.

B.

C.

D.

Short Answers

In this section, write a short answer (one or two sentences) for each question.

4 10. Briefly explain the key difference between stakeholders and shareholders

4 11. Explain two reasons why some stakeholders are more important than others

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Stakeholders in a Business

Complete the following questions in the time allowed by your teacher

QUICK DEFINITIONS

Write a short, accurate definition for each of the following key terms. (2 marks for each good quality definition)

_ /2 1. Define: stakeholder

Any person, group, business or other organisation that has an interest in the activities of a business

_ /2 2. Define: shareholder

The owners of a limited company. Shareholders are also stakeholders in a business - in that, as owners, they have an interest in the activities and financial performance of the firm

_ /2 3. Define: manager

A manager is a person who holds a position of responsibility in a business or organisation

_ /2 4. Define: director

A director is a manager that has specific roles and responsibilities for managing the activities of a company. Directors are often also shareholders in a firm.

QUICK LISTS

In this section, provide an outline or list points which answer the question

_ /3 5. List three key internal stakeholder groups in a business

A. Employees

B. Managers

C. Shareholders

5 6. List up to five external stakeholder groups in a business

A. Customers

B. Employees

C. Suppliers

D. Government

E. Regulators

F. Local community

G. Pressure groups

4 7. Outline a likely objective for each of four stakeholders in Dominos UK - the leading provider of takeaway pizzas in the UK

A. Customers: product is of high quality and value for money

B. Franchisees: the franchise is profitable and achieves business plan targets

C. Employees: good working conditions and competitive rates of pay + benefits

D. Bank: business is able to finance its debts as they fall due

E. Investors (in Dominos UK): business grows revenues, profits & share price increases

F. Local community: business operates in an environmentally-sensitive way

G. Government: the business pays its taxes as they fall due & continues to grow employment

3 8. Outline three ways in which a business that "adds value" can meet the needs of stakeholders

A. Adding value should increase profits = happy shareholders

B. Adding value should mean better quality & value for money for customers

C. A more profitable business should mean better job security / more jobs (good for employees)

D. Added value translating into higher profits means higher tax (government)

3 9. Outline three ways in which the objectives of two stakeholder groups might come into conflict with each other

A. Shareholders (greater profit) v employees (higher wages)

B. Employees (extra shifts & more pay) v local community (more congestion and/or noise)

C. Managers (price rises to boost sales) v customers (worse value for money?)

D. Banks (better control of cash flow) v suppliers (later payment of their bills)

Short Answers

In this section, write a short answer (one or two sentences) for each question.

4 10. Briefly explain the key difference between stakeholders and shareholders

Valid points include:

Shareholders are the owners of a business (company) - they control the share capital and therefore the decisions of the firm = high influence (particularly those with significant shareholdings)

Stakeholders - have an interest in the activities of a business, but not necessarily direct control over it

Note: shareholders are also stakeholders, but not the other way around!

4 11. Explain two reasons why some stakeholders are more important than others

Valid points include:

Degree of influence of stakeholders will vary depending on nature of business activities and who holds power!

E.g. customers may have great influence if business is dependent on them

Shareholders (as stakeholders) typically exert high influence - voting on key company decisions

Government / regulators often important - particularly in industries subject to greater legislation

Banks & investors also often important stakeholders if business is dependent on them