Strand 1 Chapter 2 Forms of Business, Business Regulation and Governance (2.5 weeks)

Learning Outcomes

2.1 Distinguish between public, private, and not for profit enterprises and analyse the contribution of each of these types of enterprise both locally and nationally.

2.2 Outline how business ownership differs between different types of organisations and how ownership can change over time.

2.3 Outline the purpose of regulation in business and investigate how organisations are regulated both internally and externally.

2.4 Explain what is meant by governance in an organisation.

2.5 Outline the three factors considered in an ESG report.

Chapter Overview and Introduction

From the Specification (Pg 15 of NCCA Doc):

"In this strand students will develop an understanding of the business environment. Students will achieve this through considering the different forms of business organisations and the importance of different stakeholders and how they interact."

Chapter starts on page 19

Hook for the chapter – content in chapter PowerPoint to go with each

Video Link -> here
Activity sheet -> here

Four Useful Articles and potential answers to use with this activity:

1. Do Irish businesses follow ESG rules? (potential points)
No, ESG reporting is not required for all businesses.
Only large companies currently fall under **EU CSRD (Corporate Sustainability Reporting Directive)**.
Criteria include: **over 250 employees, €40m+ turnover**, or listed on a regulated market.
Smaller firms may choose to follow ESG **voluntarily** or due to supply chain or investor pressure.

Article: *A&L Goodbody Report – "Four in ten Irish companies lack a sustainability plan"*
https://www.irishtimes.com/special-reports/2025/05/21/sustainable-investment-outflows-show-we-are-losing-our-grip-on-green/

2. Has ESG investment increased or decreased in the past year? Why? (potential points)
Decreased: Global sustainable funds saw net outflows of €8.6 billion in Q1 2025.
US saw the biggest drop (€6.1bn); Europe also had its first negative flow since 2018.
Reasons include:
- Economic uncertainty (inflation, low growth)
- Political backlash in the US (e.g. Trump policy rollbacks)
- Investor fatigue and confusion over ESG standards

Article: *Morningstar Data via Irish Times – ESG investment sees global outflows in 2025*
https://www.irishtimes.com/special-reports/2025/05/21/sustainable-investment-outflows-show-we-are-losing-our-grip-on-green/

3. Benefits of ESG for business (potential points)
- Builds **stronger brand reputation** and customer trust.
- Attracts **ethical investors** and access to sustainable finance.
- Improves **employee engagement** and retention.
- Prepares for **future regulation** and avoids fines or PR crises.
- Can lead to **innovation**, efficiency, and cost savings (e.g. reduced waste).

Article: https://www.uhyfdw.ie/post/navigating-esg-reporting-why-irish-businesses-must-prepare-now

4. Drawbacks and political resistance to ESG (potential points)
- High **costs** of data collection, auditing, and system changes.
- Confusion or inconsistency in **regulations and standards**.
- **Pushback** from investors, political groups, or certain customers.

- Risk of **greenwashing accusations** if claims are vague or unverified.
- Time and expertise required may be difficult for smaller businesses.

Article: *Reuters – Trump's first 100 days target diversity policies, ESG protections*
https://www.reuters.com/sustainability/society-equity/trumps-first-100-days-target-diversity-policies-civil-rights-protections-2025-04-30/

Primer Questions

Suggested prompts/expected answers for chapter primer questions

1. Do you know anyone who runs their own business?
Prompts: Encourage examples (family, neighbours, local business owners).

2. Do you know what ownership structure they use (sole trader, limited company)?
Prompt: Consider the number of owners, business size, tax considerations.
Potential answers: He's a sole trader because he runs it alone or They switched to a limited company for tax reasons.

3. If you were to invest your money in a business, is there anything else you would consider other than profits? Why?
Prompt ESG (Environmental, Social, Governance), ethics, sustainability without naming them.
Potential answers: I'd want them to treat employees well or They should be eco-friendly.

4. Do you think the government should provide goods and services or should they leave that to private companies? Why?
Prompt: Explore healthcare, transport, education as examples. Consider affordability and accessibility.
Potential answers: The government should provide healthcare so everyone has access or Private companies are bigger/more professional.

Additional primer questions you could use

1. Can you name a public company and a not-for-profit organisation? What's different about them?
Prompt: Focus on aims (profit vs. social mission), funding, ownership.
Potential answers: Ryanair is public; Focus Ireland is not-for-profit. Ryanair makes money, Focus Ireland helps people.

2. Why might a not-for-profit organisation still need to generate income?
Prompt: Reinforce the idea of reinvesting in social goals, paying staff, and maintaining sustainability.
Potential Answer: To pay staff and fund services like housing or meals.

3. Should businesses be judged only on how much profit they make? Why or why not?
Prompt: Encourage discussion on ethics, sustainability, and how businesses treat people.
Potential Answer: No. They should also treat workers fairly and protect the environment.

4. What are the benefits and risks of being your own boss?
Prompt: Link to having control, managing stress, taking responsibility, and earning potential.
Potential Answer: You control everything, but you take all the risks if it fails.

Useful business examples, stories, links, videos, resources…

Gateway To Education: A Social Enterprise in Ireland (not-for-profit)	https://www.youtube.com/watch?v=jvMkSRxJOKQ
SuperMacs Franchisee business	https://www.youtube.com/watch?v=6hyCZfgUQDk

Digital hub links (these will become hyperlinks as they get added over the summer):

PowerPoint

Class exams with solutions

Worksheet for the Introduction Hook

Kahoot / online quizzes for formative assessment

Suggested solutions to workbook and sample paper questions

Key information for the chapter:

Strand 1 Chapter 2	**Forms of business, business regulation and governance**	**2.5 weeks**							
Learning Intention	**Learning Outcome**	**Textbook (Pages)**	**Minutes allocated**	**Activity Book (HL Qs)**	**Activity Book (OL Qs)**	**HL Sample Paper 1**	**HL Sample Paper 2**	**OL Sample Paper 1**	**OL Sample Paper 2**
the different types of business that operate, including both public, private, semi-state and not for profit enterprises*.	2.1 Distinguish between public, private, and not for profit enterprises and analyse the contribution of each of these types of enterprise both locally and nationally.	20-22	60	Q1,Q2	Q1	HL1 Q1 (a)	HL2 Q1 (e)	OL1 Q5 (g)	
the nature of business ownership and how this may evolve over the lifecycle of a business (including nationalisation and privatisation). The types of organisations explored should include sole traders, partnerships, private limited companies, public listed companies, franchises, co-operatives and public sector organisations.	2.2 Outline how business ownership differs between different types of organisations and how ownership can change over time.	23-31	120	Q3, Q4, Q5, BW Q1	Q2,Q3			OL1 Q1 (a), Q2(a)	OL2 Q4 (c)
how organisations are regulated both internally and externally including audit, risk management and compliance.	2.3 Outline the purpose of regulation in business and investigate how organisations are regulated both internally and externally.	32-34	40	Q6	Q4				
	2.4 Explain what is meant by governance in an organisation.	35-36	40	BW Q4	Q5				
the significance of Environmental, Social and Governance (ESG) factors* in business governance.	2.5 Outline the three factors considered in an ESG report.	37-38	40	Q7, BW Q2, BW Q3	Q6	HL1 Q3 (a)		OL1 Q3 (a)	
		Total Time:	**300**	**Hours:**	**5.0**				

S1 Ch2 Forms of Business, Business Regulation and Governance (L.O. 2.1)

Textbook Pages: 20–22
Activity Book: HL Q1, Q2 | OL Q1
Time Allocation: 60 minutes

Learning Outcome	**2.1** Distinguish between public, private, and not-for-profit enterprises and analyse the contribution of each of these types of enterprise both locally and nationally.
Students Learn About	The different types of business that operate, including both public, private, semi-state and not for profit enterprises*.
Sample Paper Q	**HL1 Q1 (a)** Outline one way ProjectOne contributes to the local economy. **HL2 Q1 (e)** Analyse two implications to local areas of restaurants and cafés closing down. **OL1 Q5 (g) (i)** Indicate if (public, private, or not-for-profit) from (Ryanair, Irish Rail, Barnardos) **(ii)** Describe two contributions not-for-profit enterprises make to the Irish economy.
Create other potential Qs	Distinguish between semi-state and private companies using one example of each. Explain two benefits to a local area of having a not-for-profit organisation.

Specification Language Decoded

Distinguish: Make the differences between two or more concepts or items clear.
Analyse: Study or examine something in detail, break down in order to bring out the essential elements or structure; identify parts and relationships, and to interpret information to reach conclusions.
Not for profit enterprises: Enterprises motivated by broader social objectives including charities, social enterprises, and Non-Governmental Organisations (NGOs).

Know	Understand	Be able to do
Definitions and examples of public, private, semi-state, and not-for-profit enterprises.	The purpose, structure, and goals of each enterprise type (public, private, semi-state, not-for-profit). How different enterprise types contribute to employment, infrastructure, social services, and the broader economy. Why a mixed economy needs multiple types of enterprise to meet national and local needs.	Distinguish between different enterprise types. Analyse their local and national contributions/implications. Apply examples in response to structured questions.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Use of visual categorisation tasks (drag-and-drop: business name → enterprise type) Use guided worksheets with partially completed sentences for lower-literacy students. Scaffolded sentence starters for “X contributes to the local economy by…”	Debate: "Private companies contribute more to society than public or not-for-profit organisations." Challenge: Analyse what might happen if one type of enterprise disappeared Debate: “Should public services ever be run by private companies?”

S1 Ch2 Forms of Business, Business Regulation and Governance (L.O. 2.2)

Textbook Pages: 23-31
Activity Book: HL Q3,Q4,Q5, BW Q1 | OL Q2,Q3
Time Allocation: 120 minutes

Learning Outcome	**2.2** Outline how business ownership differs between different types of organisations and how ownership can change over time.
Students Learn About	The nature of business ownership and how this may evolve over the lifecycle of a business (including nationalisation and privatisation). The types of organisations explored should include sole traders, partnerships, private limited companies, public listed companies, franchises, co-operatives and public sector organisations.
Sample Paper Q	**OL1 Q1 (a) (i)** Indicate the ownership structure under which EverGlow Organics Ltd operates (Private Limited Company or Sole Trader) **OL1 Q2 (a) (i)** Choose the correct words from: Private, Public, Unlimited, Limited - "Amazon operates as a xxx listed company whose owners have xxx liability. **(ii)** T/F The owners of a company are known as shareholders; Privatisation is the transfer of a business from the government to the private sector; A cooperative is owned and controlled by the government. **OL2 Q4 (c)** Outline two reasons for changing from sole trader to a private limited company
Create other potential Qs	Discuss one benefit and one drawback of a business becoming a public limited company. List three features of a co-operative and explain how ownership is shared. Demonstrate an example of why a company might be nationalised. Describe two possible reasons why a business might restructure or change ownership over time.

R&R activity Pg 26	**Task One** July 2025: X is estimated to be worth between $12 billion and $14 billion, significantly lower than the $44 billion price Musk paid. **Three Reasons for the Drop in Valuation:** • **Mass staff layoffs and instability** led to a loss of engineering talent and institutional knowledge. • **Advertiser exodus** due to concerns about content moderation and platform direction under Musk. • **Reduced user trust** from controversial changes, including monetising verification and shifts in platform policy. **Task Two** Users were previously given blue ticks for being famous/publicly known at no cost. Musk introduced that verified users would get a blue tick and access to features like post prioritisation and ad revenue sharing by paying a monthly fee (approx. €7/month). **Pro:** Generates direct user revenue, so additional revenue streams other than advertising. **Cons:** Undermines trust in verification (anyone can pay, no identity check), low take up, may drive users to competitors.
R&R activity Pg 27	Info for **St. Raphael's Garda Credit Union:** • Savings Accounts - Interest paid annually from surplus

	• Car loans: around 4.95% variable rate • Home-improvement loans: approx. 4.25% variable • Currently providing mortgages, but lending paused due to high demand • Home, motor, life and travel insurance • 98% approval rate for loans, no early repayment fees. • Over €1.5m given away in 2024 in their Prize Draw. **St Raphael's CU:** Variable interest rate of **7.85 %**, APR is **8.16 %** **Bank of Ireland:** Variable interest rate of **8.65 %**, APR **8.9 %** CU data shows **car loans at ~4.9%** BOI data ranges from **6.3-8.65%** Mortgage lower in CU than bank (2.9% vs 3.8-4.5% but limit to lending capacity).
R&R activity Pg 28	1. Minimum personal investment €150K (total €300-400K+) **Subway Franchise investment €90,000-€225,000** **McDonald's Franchise €400,000-€2.1 million** 2. Ethical & Sustainable Operations Uses **100% compostable packaging since 2018** Added **carbon ratings** on menus since 2022 Sources **locally grown Irish produce**, grass-fed meat, and seasonal ingredients First restaurant chain in Europe to introduce **compostable delivery packaging** Holds **Gold membership in Origin Green**, Ireland's national sustainability programme 3. **Healthy Thai food**, calorie- and carbon-counted menus, vegan options, appeals to health-conscious consumers **Ethical credentials**: compostable packaging, local sourcing, minimized waste, water efficiency **Delivery-focused model**, with proprietary app, robotics, AI support, and planned drone delivery **Pros**: Strong growth potential, tech-forward, robust sustainability image, adaptable franchise options, proven brand with over 50 locations **Cons**: High upfront cost (€300-400k), competition in fast-casual and delivery sectors.

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information

Know	Understand	Be able to do
The features of different ownership types: sole trader, partnership, private limited company (LTD), public limited company (PLC), franchise, co-operative, public sector. Key terms such as limited/unlimited liability, shareholders, franchisor/ franchisee, nationalisation, privatisation.	How ownership structure affects liability, decision-making, access to finance, and taxation. Why a business might change ownership over time e.g. to raise capital, reduce risk, grow operations, or meet regulatory needs.	Explain or outline the implications of changing from one ownership type to another (e.g. sole trader to LTD). Compare different forms of ownership using examples, and apply this understanding to real-world Irish businesses. Identify the ownership structure of a given business based on key features or case study data.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Sentence starters for writing tasks (e.g. "One reason a business might change ownership is…"). Card-sorting or drag-and-drop tasks to match ownership features to the correct type.	**Case study investigation**: Research a business that changed ownership (e.g. Eircom, Glanbia) and explain why. Challenge students to explore the **implications of privatisation** or **nationalisation** in a specific sector (e.g. transport, energy).

S1 Ch2 Forms of Business, Business Regulation and Governance (L.O. 2.3)

Textbook Pages: 32-34
Activity Book: HL Q6 | OL Q4
Time Allocation: 40 minutes

Learning Outcome	**2.3** Outline the purpose of regulation in business and investigate how organisations are regulated both internally and externally.
Students Learn About	How organisations are regulated both internally and externally including **audit**, **risk management** and **compliance**.
Sample Paper Q	-
Create other potential Qs	Outline one internal and one external method a business uses to ensure it follows regulations. Describe two ways a company can regulate itself internally. Why is regulation important for customers and employees?

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information
Investigate: Observe, study, or make a detailed and systematic examination, in order to establish facts and/or reach new conclusions

Know	Understand	Be able to do
• Key terms: **audit**, **compliance**, internal control, **risk management**, external regulation. • Main external regulators in Ireland and what sectors they oversee.	• Why regulation is necessary to protect consumers, ensure fair competition, and promote accountability. • The difference between internal and external regulation and how they work together.	• Identify examples of internal and external regulation. • Briefly explain the function of regulators such as the CCPC or Central Bank. • Analyse how regulation supports ethical and legal business operation.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
• Provide case study summaries of recent regulation actions in Ireland (e.g. data breaches, price-fixing fines). • Matching worksheet matching regulators to their functions. • Guided scaffolded questions (e.g. "Why does a business need a compliance officer?").	• Debate: "Too much regulation is bad for business." • Research task: Students investigate a real business or industry, and find out how it is regulated in Ireland.

Note

S1 Ch2 Forms of Business, Business Regulation and Governance (L.O. 2.4)

Textbook Pages: 35-36
Activity Book: HL BW Q4 | OL Q5
Time Allocation: 40 minutes

Learning Outcome	**2.4** Explain what is meant by governance in an organisation.
Students Learn About	The significance of Environmental, Social and Governance (ESG) factors* in business governance.
Sample Paper Q	-
Create other potential Qs	Explain the role of a board of directors in corporate governance. What are the consequences of poor governance for a business and its stakeholders?

R&R activity	**Suggested answers:** **Enron (2001):** Energy company collapse due to off-the-books accounting fraud, poor oversight by the board, and pressure to meet stock expectations. Prevention: Independent auditing, stronger board accountability, whistleblower protection. **Wirecard (2020):** German payment processor falsely reported €1.9 billion in cash reserves. Lack of proper audit and internal controls. Prevention: External regulator scrutiny, enforcement of transparency laws.

Specification Language Decoded

Explain: Give a detailed account including reasons or causes

Know	Understand	Be able to do
• Definitions: governance, ESG, board of directors, transparency, accountability.	• Why governance is essential to protect shareholders, employees and consumers. • How ESG factors influence governance standards and decision-making.	• Describe good and poor governance practices. • Explain how internal controls and leadership structures support good governance.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Provide students with short, structured case cards describing fictional or real-life companies with different governance features (e.g. strong board oversight, whistleblowing ignored, ESG integrated, fraud undetected). Students categorise each as **good or poor governance**, highlight the governance element involved (e.g. board role, audit, ESG), and suggest one improvement.	Analyse a Irish business examples from the news in terms of ESG and board accountability. Investigate how a whistleblower has changed governance policy in the past.

S1 Ch2 Forms of Business, Business Regulation and Governance (L.O. 2.5)

Textbook Pages: 37–38
Activity Book: HL Q7, BW Q2, BW Q3 | OL Q6
Time Allocation: 40 minutes

Learning Outcome	**2.5** Outline the three factors considered in an ESG report.
Students Learn About	The significance of Environmental, Social and Governance (ESG) factors* in business governance.
Sample Paper Q	**HL1 Q3 (a)** Identify the three elements of an ESG report. **OL1 Q3 (a) (i)** What do the letters ESG stand for? **(ii)** Indicate the area of the ESG report to which each topic relates (given E,S,G) – • Employee Wellbeing • Pollution Prevention • Community Involvement • Structure of the Board of Directors
Create other potential Qs	Give one example of a business activity that would fall under each ESG factor. Outline two benefits of ESG reporting for a business. Identify one challenge a business may face when trying to improve its ESG performance. Explain why ESG reporting might be important to investors.

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information.
Environmental, social and governance factors (ESG): ESG stands for environmental, social and governance and These factors form the pillars in ESG frameworks and businesses may in some cases be expected to report their performance and progress under these three pillars.

Know	Understand	Be able to do
• What ESG stands for and what each pillar involves. • Common examples for each ESG factor (e.g. recycling programmes, workplace diversity, board structure).	• How ESG reporting reflects business behaviour and values. • Why stakeholders (e.g. investors, customers, regulators) are interested in ESG data.	• Identify and categorise ESG activities by pillar (E, S or G). • Outline the three ESG elements and give relevant examples. • Apply ESG thinking to evaluate simple business scenarios.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Give students a set of short business actions (e.g. “Introduced mental health support for staff”, “Installed solar panels”, “Established an ethics committee”) and ask them to sort each into E, S or G. Follow with a class discussion where students explain *why* they placed each item where they did.	**ESG Business Audit Activity**: Ask students to choose a real business (local or global) and research how it performs under each ESG pillar. They create a brief mock ESG report outlining one strength and one area for improvement under E, S and G.

Links to cross-cutting themes:

Entrepreneurial Thinking:	Students explore how modern businesses incorporate ESG into their strategy, encouraging them to think beyond profit and recognise how environmental, social and governance factors can create long-term value and opportunity.
Ethics and Sustainability:	This outcome directly addresses responsible business conduct, highlighting how ethical decisions and sustainable practices are captured in ESG reporting. Students reflect on what it means to act in the best interest of people, planet and future generations.
Digital Transformation:	Students consider how technology enables ESG reporting, such as through data collection, emissions tracking, and transparent disclosure via digital platforms. They explore how digital tools support more accurate and timely reporting.
Business and Financial Literacy:	Students learn how ESG performance is used by investors and stakeholders to assess a company's long-term prospects. They gain insight into non-financial reporting and how it complements traditional financial data when evaluating business health.

Assessments

Formative	Summative	AAC (Investigative Study)
• Oral explanations or pair-share discussions on why ESG matters • Kahoot	• Structured question: "Outline the three pillars of an ESG report and give one example of each." • Scenario question: "A local business introduces a new diversity programme. Under which ESG factor does this fall and why?"	• Students investigate an Irish business's public ESG commitments using online sources (e.g. SuperValu, Glanbia, AIB) They compile a short report outlining one practice for each ESG pillar and evaluate the business's strengths and gaps – sourcing from at least 3 different data sources.

What examples/resources have we used before that we can adapt for this chapter?

E.g. Think-Pair-Share, Roleplays, Debates, Inquiry tasks, Digital tools

Teacher and Department Review

1. Teaching and Learning Effectiveness	2. Differentiation and Inclusion
Were students able to accurately distinguish between different business types and ownership models?	Were visual tools, comparison charts and sentence scaffolds used to support varied literacy and ability levels across all outcomes?
Did learners grasp the function and significance of regulation and governance in a business context?	Did tasks offer inclusive ways for students to access content on abstract concepts like regulation or governance?
Were teaching methods (discussion, case studies, sorting activities) effective in supporting understanding of ESG reporting?	Were stronger students challenged appropriately through investigative work or evaluative questioning?
3. Resource Use and Gaps	**4. Connections and Continuity**
Did the textbook provide sufficient real-world examples for business types, regulation and ESG reporting?	Were prior concepts (e.g. stakeholder roles, types of enterprise) effectively linked to new material on ownership, regulation and governance?
Were any gaps identified in supporting materials (e.g. need for additional case studies, video clips or interactive tools)?	Are students developing the language and skills needed for upcoming outcomes (e.g. analysing business decisions, understanding accountability)?
Which additional resources (e.g. news articles, company ESG reports, franchising data) proved most effective or should be developed?	Are opportunities being identified to connect this chapter to the Investigative Study or current national/international business issues?