Legal and Business Analysis of Acme Fireworks

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Introduction

Starting a business involves several risks and constraints, which are based on the owner who took the initiative. Acme Fireworks, which was started two years ago and consists of 15 employees, has survived the initial hurdles and is now taking initiatives for further growth by joining big corporations. The nature of Acme Fireworks' business involves commodities that need to be protected by law because dangerous materials are being made by the company. The manager is responsible not just for the workers' safety but is also involved with the next step of initiatives, and those are contracts. Expansion and contracts are being considered here from the perspective of several laws concerning legal contracts and employee safety regulations. Further discussion is based on analysis according to the laws.

Discussion

The dealings among the corporations are related to the expansion of business, so it is important to understand the complexities of the clauses involving such legal contracts. Two of the most considerable and standard laws used by business owners for contracts are the Uniform Commercial Code and common law. Common law and the UCC contain complexities and clauses that should be discussed by Acme Fireworks before pursuing business with big corporations. The difference between the two laws makes it important to know which contract is being used and the law involved in it. Whether a contract falls under the UCC or common law makes it important to determine which will fulfill the requirements. A dispute, which is inevitable, can leave a deep impact if the law is not considered beforehand. A breach of contract involves damages and discharge of the contract, which will be collected by the organization. In order to understand a breach, understanding the position of both businesses is also required (Griffith & Zhao, 2015).

The two governing bodies of law make the contracts different from each other, and before an understanding can be gained, it is also important to know the types of contracts under both laws. The sale of goods and securities comes under the UCC, whereas real estate, intangible assets, insurance, and employment come under common law. The other type of contract involves both service delivery and the sale and purchase of goods, and the dominant clause controls the contract regulations. Also,

countries are involved when it comes to the UCC because every country practices this law differently. Now, it's the duty of the manager of Acme Fireworks to determine whether the contract is being formed under common law or the Uniform Commercial Code (UCC). While going through all the requirements and clauses of both laws, the UCC fulfills the requirements of a contract between Acme Fireworks and the other big businesses that forwarded the request to form the contract in order to provide services involving the delivery of goods on a regular basis. The reason behind the selection of the UCC is that it relates to the nature of Acme Fireworks' business, whereas contract law will be assessed when it comes to the expansion of the business in accordance with further hiring of employees (Lader, 1996).

The second part of the requirement, which is fulfilled here after the manager informed the owner to create the contract while considering all the essential elements of enforceable contracts, will be further discussed in order to understand what points are being considered the most by the manager and the owner (Martin, Marks & Barnes, 2016).

The legally enforceable contract includes five considerable requirements as follows:

- An offer

The expression of willingness that was shown by the other big businesses is considered to be an offer as defined by law. The first party is the big business, which extends the offer by considering certain terms to another party, which is the second party, and here Acme Fireworks will serve as the second party in the contract. The contract will only be made when Acme Fireworks accepts the offer from the big business with which it has already done business. The nature of the offer is different because it can be made by e-mail or letter, or sometimes the behavior of interest shows that the offer is being made. The interest shown by the big businesses is also considered to be an offer to Acme Fireworks.

- Acceptance

The second part of the enforceable contract consists of acceptance from the second party, Acme Fireworks, and the requirement is acceptance. Now, there are further parties involved in the acceptance requirement. Acceptance is the final expression of consent shown by Acme Fireworks to work further with the big business. The involved party means an authorized person. The person mentioned is the manager showing consent in the form of acceptance because the owner has given authority to the manager. The job of the manager here is to offer the requirements of Acme Fireworks in the form of an acceptance letter. A changed requirement makes the offer of the first party invalid, and the second party will make an offer again. These requirements in this part will be beneficial for both parties to clarify all the clauses they want to add so that a breach of the contract can be avoided

in the future.

- Competent Parties

Another significant requirement for a contract to be considered legally enforceable is the competence of both parties, Acme Fireworks and the big business that forwarded the offer. This part is not an issue for Acme Fireworks because it is a legally registered sole proprietorship company. The third part that should be considered is whether the manager is authorized to accept the offer or not.

- Lawful Subject Matter

This requirement is also being fulfilled by Acme Fireworks because it is a legally authorized business that is motivated enough to extend the business further and not sell or buy illegal products. The law concerning the subject matter should be considered because the condition of the country can change the law of producing fireworks, which will influence the business and nullify the contract.

- Mutual Obligation

The requirement involves both parties; the first is Acme Fireworks, and the second is the big business that forwarded the offer. Both involved parties participate in the process of forming the contract and have the same intention while creating the contract. If one party breaches the contract, then that party will be accountable to the court. The mutual agreement between both parties is important and crucial for the formation of the contract.

Potential liability is attributed to Acme Fireworks because the nature of the business and the products it is producing pose a threat to the lives of not just the employees but also consumers. There are several rules and regulations that should be followed in order to provide security measures to spectators. The first measure, which is considered to be the most important one, is using legally permitted material in the production of fireworks goods. The types of fireworks that are available can be divided into legal and illegal types. One has a permit from the government, and the other does not have the permit. According to UCC law, Acme Fireworks should consider the regulation defined by this law regarding the use of material under the limit of 36 inches; noisemakers, snakes, cone fountains, and others including this defined material, which do not have an explosion amount that increases the threat. The government has provided permits for specific kinds of fireworks and the materials used in producing those fireworks, which Acme Fireworks follows.

For precautionary measures, Acme should collaborate with an organization that deals with risk management and provides medical assistance if anyone is injured by the fireworks. A form should be created and designed in a way that states incident details so that the reason behind the accident can be assessed. Another important task that should be done by the organization is to provide training to the workers who perform fireworks displays. Acme mostly deals with services that different organizations hire to perform fireworks for events organized by those organizations. The training should be proper and advanced in accordance with the nature of the work and should involve protection for both the workers and the viewers of the fireworks. The contract that is being made with big businesses should also state such clauses so that potential liability could be avoided (Rauterberg, 2015).

Acme Fireworks is considering expanding the business as big contracts are being formed, which will eventually demand an increase in services and the sale of goods. There are several kinds of employment opportunities that Acme can offer, and it is looking into them under the law of agency. Agency law is considered to be an area that comes under commercial law. It deals with employment types and contracts that are formed between the organization and employees. The person who will work for the organization is known as the agent, and the organization offering employment is known as the principal. The legal relationship gives both of them these names, and the third party, which is the government, protects this contract of employment between the agent and principal by acting as the third party. The principal is the one who controls the agent according to the requirements of the organization, or the agent works on behalf of the principal as required by the organization. The law gives equal opportunity to both in accordance with their rights and responsibilities (Sakurai et al., 2014). The further division of the relationship between principal and agent is as follows:

- Principal and agent: Only these two are involved in this relationship.
- Agent and the involvement of a third party refer to the agent working on behalf of the principal.

As Acme Fireworks is considering expanding the business by hiring more employees, it should consider the types of employment. Following are some of the most significant types:

- Full-time employment: This type of employment involves a contract between the principal and the agent, which deals with a fixed time for the work, and the time includes 40 hours per week. The schedule is defined for these types of employees, and it’s a long-term schedule. An example of a full-time employee at Acme is the manager, who was assigned a task to look after business legal matters.

The advantage of full-time employment is the certainty of the work being done by an employee, and employees who are working full-time tend to be more loyal than other types of employees. The organization can invest in their training and development because they will spend a longer time compared to others. The more time these types of employees spend, the more they will feel valued, which will enhance their productivity and creativity.

The disadvantage of full-time employment is that new skills and talents that are increasing in the

market will not reach the organization because there are no vacant positions. Another disadvantage is that a full-time employee has proven to be costly because of the paid leave and insurance provided to these employees.

- Part-time employees: This type of employment involves employees who work a certain amount during the year, which is approximately 1,000 hours per 12 months. They work toward a target, and they only serve the organization for a certain period. Part-time employees mostly do short-term projects.

The advantage of this type of employment is that the policy made for staffing and hiring purposes serves the purpose of an efficient supply of workers from time to time. Their enthusiasm will be high because of the short deadline for their work.

The disadvantage of this type of employment is the uncertainty of the employee's presence in the organization, and they will be less loyal to the organization.

Conclusions

Acme Fireworks should consider expanding the business beyond a sole proprietorship because it now has big contracts from different organizations that have shown satisfaction with its services. The expansion of the business will help it provide the ability to supply goods and services uninterrupted. The increasing number of employees will need benefits and salary packages. To provide such benefits, the company will have to expand the business to increase its income and profit. The nature of the business of Acme Fireworks involves commodities that need to be protected by law because dangerous materials are being made by the company. The manager is responsible not just for the workers' safety but is also involved with the next step of initiatives, and those are contracts. Potential liability is attributed to Acme Fireworks because the nature of the business and the products it is producing pose a threat to the lives of not just employees but also consumers. For this purpose, the company will need a risk management department, which can only be achieved through the expansion of the business. Acme Fireworks is considering expanding the business as big contracts are being formed, which will eventually demand an increase in services and the sale of goods. It should consider hiring full-time workers because when the expansion process starts, the business will need loyal employees who can devote themselves fully and participate with effort. These recommendations to Acme will help the company grow in every way. The first will be to expand beyond the sole proprietorship, establish a risk management department to avoid accidents, provide facilities to injured people, and deal with incidents that can be a threat to the business reputation. The last will be hiring full-time employees, which will help the company grow throughout the process.

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