Intel: A Corporation Essay, Research Paper

“A corporation is a business that, although owned by one or more investors, legally has the rights and duties of an individual. Corporations have the right to buy, sell, and own property. Corporations may make legal contracts, hire and fire workers, set prices, and be sued, fined, and taxed. A business must obtain a charter of incorporation from a state legislature or Congress to be legally recognized as a corporation.”(Watson, p211) While corporations didn’t exist until the mid to late 1800s, the idea of the corporation had existed since the early 1600s. It all started with English merchants who started trading companies to help fund the early colonies. If the colonies thrived, the stockholders reaped in the profit. (Watson, p211)

A corporation is started when a sole proprietorship, a one-owner business, that is the most common form of business institution in the US, or a partnership, an association of two or more people in order to run a business, decides that they don’t want to be personally responsible for any loss the company might have. (Watson, p211) Or they might decide that they want the company to “live on” after they die, that is for the business to have “unlimited life”. Since neither of these goals can be reached with a sole proprietorship, or a partnership, the owner (or owners, as the case may be) decide that he (they) want to “convert” their business to a corporation. The owner(s) file a charter of incorporation from the government to be legally recognized as a corporation. (Boyd, March, 99) The owner(s) then sell shares of stock, documents representing ownership in the corporation, to investors. These investors buy and sell the stock to small investors, or stockholders. Since there is no limit to the number of shareholders to a company, the investors vote (for every share you own you get one vote) on a board of directors. The board of directors are in charge of hiring the people responsible for the every-day running of the corporation. These positions include, but are not limited to: the president, vice president, and other chief administrators. (Watson, p211-212)

If a corporation reaps a profit, investors may receive a dividend, or a share of the monetary gain made by the company. The elected board of directors choose whether the money will go towards profit, expansion of the company, modernization of the company, or research and development. (Watson, p212)

“With about 85% of the microprocessor market, Intel is definitely inside. Its microprocessors — including the Pentium — have been providing brains for IBM-compatible PCs 1981.”(http://thestandard.net?.) Intel started on July 16, 1968 when magnetic core memory was the leading technology at the time. They were trying to make semi-conductor memory practical with silicon memory. Unfortunately for Intel semi-conductor memory cost 100 times more than magnetic core memory, but the silicon had many advantages – smaller size, greater performance, and reduced energy consumption. Then, in late 1968,the Japanese company Busicom asked Intel to produce a series of chips (twelve chips for every unit) for a group of programmable calculators that they were producing. Normally, chips were made specifically for each product. Well, the designers at Intel decided that they would make a general purpose logical chip to replace all of the many different varieties of chips that would go into the different electronics. The logical chip was a major success; the only problem was that Busicom had the rights to the chip. Realizing that this chip could have a major impact on society, the founders Bob Noyce and Gordon Moore praised the new chip, while people in the corporation still wanted to stick with producing memory. Intel bought the rights to the chip from the struggling Japanese company for $60,000, and this “paved the way for Intel’s developing vision of ubiquitous (universal) microprocessor-based computing.”(?/cn71898a.htm).

The 4004 microprocessor set was introduced near the end of 1971. “Smaller than a thumbnail and packing 2300 transistors, the $200 chip delivered as much computing power as the first electronic computer, ENIAC. By comparison, ENIAC relied on 18,000 vacuum tubes packed into 3,000 cubic feet when it was built in 1946. The 4004 executed 60,000 operations in one second, primitive by today’s standards, but a major breakthrough at the time.”.”(?/cn71898a.htm). Directly after the 4004, Intel introduced the 8008 microprocessor, which processed eight bits of information at a time, twice as much as the original chip. This technological break-through put microprocessors everywhere, from fast food restaurants to airport control towers. Yet no one had thought of the personal computer, until; Intel Chairman Emeritus Moore remembers, “In the mid-1970s, someone came to me with an idea for what was basically the PC. The idea was that we could outfit an 8080 processor with a keyboard and a monitor and sell it in the home market. I asked, ‘What’s it good for?’ And the only answer was that a housewife could keep her recipes on it. I personally didn’t see anything useful in it, so we never gave it another thought.”

Intel decided that they would try to become the processor-manufacture for IBM. They received some static at first, but eventually; Intel’s long-term commitment to the microprocessor product line and ability to produce in large masses convinced IBM to choose the 8088 chip processor for the first personal computer. Intel was thrilled at the thought, but had no idea the PC would become so popular. The Intel sales engineer who worked with IBM on the project recalled, “At the time, a great account was one that generated 10,000 units a year. Nobody comprehended the scale of the PC business would grow to tens of millions of units every year.”.”(?/cn71898a.htm)

In 1982, Intel introduced the 286 chip. With 134,000 transistors, it was three times as powerful as the current chips. This 286 chip was first used in IBM’s very memorable machine, the PC-AT.

In 1985, the Intel386 processor came off the showroom floor. With 275,000 transistors, the chip was a huge jump from the competition. The Deskpro by Compaq was the first PC that used the 386 chip. The Intel 486 processor was released in 1989. This new chip had all the fixins’: 1.2 million transistors and was the record-breaking first chip to have the first built-in math coprocessor. In 1993, Intel introduced a processor with five times the speed of the 486, the Pentium processor. The Pentium chip uses 3.1 million transistors. In 1997 Intel started introduced its MMX technology, a breed of chip build for high multimedia performance. After MMX took hold, it is now standard on all Pentium processors. In 1998 the Pentium II chip was released with incredible speed and mind-blowing processing power. .”(?/cn71898a.htm)

The Intel Corporation is an amazing company that will be around for a very long time. As of 1997 the company was worth $26,273,000,000. The CEO of Intel is Craig R. Barrett. Intel, as of 1997, had 63,700 employees on its roster. In my personal opinion, I feel that Intel is a very reliable chip manufacturer, I buy only Intel brand processors because of their reliability, and I would proudly join their workforce if at all possible.

Stock Exchange: “market for the sale and purchase of securities of corporations and municipalities, and, in some cases, of certificates representing commodities of trade.”(Funk and Wagnalls p359) The first stock exchange to be built was in Antwerp, Belgium in 1531. In 1773 the brokers of London formed an exchange in England. In New York City, brokers met to exchange stocks under a button tree until they organized the New York Stock Exchange. (Sobel, p904) The NYSE only let in stocks that it deemed “good enough”. Those that didn’t pass the test where traded outside on the curb of the NYSE building. This “curb exchange” later formed the American Stock Exchange, or the ASEX. (Edustock ?/3088/)

In the 1920’s the American economy was booming, due in an increase in industrialization, and an increase in technology. There was an increase in wages, an increase in spending, and an increase in stock prices. People bought billions of dollars worth of stock -on margin, mind you- and economists said that the uprise would continue. Because of the large number of people buying in margin, left the stock market in a vulnerable position. Many stockholders, ready to reap a fortune, invested all they had, even mortgaged their homes and emptied their bank accounts. As the prices spiraled higher and higher, economists began warring people of the turmoil that could lie ahead, but everyone was interested in making money and paid no heed. Finally, in October of 1929, the purchasing frenzy calmed, but then burst into a selling bonanza. On Thursday, October 24th, 1929 the strong iron bars of the U.S. economy began to give way. Stock prices fell to the floor as investors struggled desperately to sell. When the New York Stock Exchange closed that day, it had lost over four billion dollars. By the next Monday, the 28th, a widespread panic took form. Thousands of investors, some “normal”, working citizens, were ruined financially. By the end of 1929, stock values had dropped by fifteen billion dollars. (www.thehistorychannel.co.uk) “There have been many market crashes since 1929 however this is the one that had the greatest impact. It is still to early to say for sure whether the economic situation that is effecting global stock markets will result in such a scenario. The only fact that is certain is that we are in the middle of a large correction in the value of global stock prices. With crises in Asia, Latin America and now Russia rolling from one to another, the fear of a 1929 style crash is once again with us.”(www.thehistorychannel.co.uk)

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