

Recapping knowledge on types of business ownership – for each characteristic write ST (sole trader), PT (Partnership) or Ltd (Private limited company) if it applies to that kind of business.

The owners are responsible for all the debt	
The business can sell their shares on the stock market	
The business has to publish their accounts with the government	
The business has unlimited liability	
Has shareholders but the shares cannot be offered publically	
The business is unincorporated and has only one owner	
Can raise finance through issuing new shares	

Define these key terms and give an example for each

Franchisee –

Franchisor –

Labour –

Supplier –

Market –

Competitors –

Bulk-gaining product –

Bulk-reducing product –

An entrepreneur is thinking of becoming a franchisee:
Cross out the appropriate Advantage / Disadvantage

Can use an established brand name

Must pay a fee to buy the franchise

Training is provided by the franchisor

The business model is already successful

Cannot make independent decisions

Reputation can be harmed by other franchises

Advantage / Disadvantage

Advantage / Disadvantage

Advantage / Disadvantage

Advantage / Disadvantage

Advantage / Disadvantage

Advantage / Disadvantage

If a business produces a bulk-gaining product, would they want to locate closer to the **market** or the **supplier**?

If a business produces a bulk-reducing product, would they want to locate closer to the **market** or the **supplier**?

If a business sells a frequently purchased good, would they want to locate closer to the **market** or the **competitors**?

If a business needs many unskilled workers should they opt to locate to an area with **educated workers** or an areas with **existing unemployment**?

Define these key terms and give an example for each

Price –

Product –

Promotion –

Place –

Retailer –

Product differentiation –

E-commerce –

Wholesaler –

Hazel's adventure in making the business effective

“Hazel lives in Sandelford warren and noticed there was a shortage of carrots - his friends would often complain how there was never enough to eat. Hazel decided to write a _____ which laid out how he intended to set up a business growing and selling carrots. He had two objectives

1. Survival (a _____ objective)
2. _____ (a _____ objective)

He decided to ask everyone he knew in the warren about how many carrots they would like to buy and at what price. This was an example of _____ and using this information he was able to identify his _____.

Starting up the business was expensive and Hazel needed _____ to make this happen. He first needed to prove that his business was _____ and was going to make a _____. Since he knew the number of carrots he was likely to be able to sell and at what price he could calculate his _____. The other piece of information he would need was his _____. Part of this would be the money spent on his _____ - Price, Production, _____ and Promotion. With all of this information he was able to convince the bank to give him a _____. He was confident that, having a written a plan, he could anticipate the kind of things he might encounter in his business and make better decisions, reducing _____.

place profit business plan finance marketing mix
costs target market loan risk viable helping others
financial non-financial primary research revenue