1. A business operated by a sole trader has:
2. No tax liability
3. One owner
4. One shareholder
5. Only one stakeholder [1]
6. A public limited company:
7. Can sell its shares on the stock exchange
8. Cannot cease trading
9. Has unlimited liability
10. Operates in the public sector [1]
11. One purpose of a public limited company’s Annual General Meeting (AGM) is to:
12. Find a venture capitalist
13. Inform employees of future changes
14. Listen to customer viewpoints
15. Meet legal requirements [1]
16. 15 A partnership is owned by three brothers. The partnership goes bankrupt with debts of £30 000. According to the Partnership Act:
17. Each brother is jointly and severally liable for the full £30 000
18. Each brother is liable for only £10 000 of the debt
19. The brothers do not have to repay the debt from personal funds
20. The brothers would only lose the amount they have invested in the business [1]
21. Which of the following combinations of objectives is a third sector organisation most likely to set?
22. A Increase break-even, increase awareness
23. B Increase break-even, increase growth
24. C Increase revenue, reduce costs
25. D Increase revenue, reduce profit [1]

All of the questions in this Section should be answered in relation to businesses that you have researched. A clean copy of the research brief is provided.

1. (a) Describe how a business that you have researched is organised.

Name of business\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Activity of business \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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**(b)** State **one** advantage and **one** disadvantage to the business you named in **part (a)** of being organised in this way.

Advantage \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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Disadvantage\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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**Business scenario:** Convenience Corner

* Kirsten Halliburn is a sole trader. She owns Convenience Corner, an independent general store located in the centre of a large housing estate. Kirsten has owned the store for over 20 years. She relies on the profit it makes to support herself and her family.
* The store sells a range of fresh, frozen and packaged foods. It also sells toiletries, household cleaning products, pet food, greetings cards and newspapers. Even though space is severely limited, Kirsten manages to stock a small selection of vegetarian, international and organic foods to cater for local demand. Convenience Corner opens at 6 am, seven days a week. The store usually remains open for a minimum of 16 hours each day. Kirsten believes that meeting customer needs is the key to business success. Kirsten, therefore, likes to keep the store’s closing times flexible. While there is a steady flow of customers, the store remains open. The store frequently remains open throughout bank holiday periods.
* Kirsten is concerned about the sales performance of Convenience Corner. She wonders how much impact the increased competition from the supermarket has had on Convenience Corner, and how much impact it may continue to have in the future. She worries that her objective to increase sales at Convenience Corner by 3% year on year may no longer be achievable.

1. Businesses can be categorised by activity type or operating sector. Identify:

* The activity type of Convenience Corner

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* The operating sector of Convenience Corner.

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