* Mayar’s job is to repair motorcycles. She works for a large motorcycle sales business that sells new and second hand motorcycles. Mayar’s uncle died earlier this year and left her $10,000 (70,000LE). She has always wanted to work for herself and now she has some money to start her own business.
* Mayar is going to choose between opening her own motorcycle shop selling motorcycle clothes or buying a franchise from a big motorcycle clothes retail store. To open her own motorcycle clothes store will take a lot of effort to find a suitable location with the shop fittings needed. Buying a franchise for a clothes shop will ne expensive, however the franchise company will help Mayar with a lot of the start up problems such as finding a suitable shop.
* **Appendix 1 – Letter to the bank Manager**

Dear Sir/Madam.

I want to set up my own business. I have $10,000 to invest in my business but I need additional funds, I have two possible business ideas.

The first one is to set up my own motorcycle clothes shop and for that I will need an additional $15,000 to buy clothes for the shop. I will rent my shop.

The second idea is to buy a franchise for a motorcycle clothes shop and for that I will need an additional $100,000. $50,000 will be needed to buy the franchise and $50,000 to buy clothes inventories. I will rent my shop.

I would like to come and see you to discuss my two ideas.

Yours faithfully,

Mayar.

1. Identify and explain **four** personal characteristics that Mayar needs to be a successful entrepreneur. [8]

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1. Mayar has decided which type of business organisation to choose if she sets up her own business. Consider the advantages and disadvantages of the following types of business organisation. Recommend which one Mayar should choose. Justify your choice.

* Sole trader

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* Partnership

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* Private Limited Company. [12]

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1. Identify **two** stakeholders in Mayar’s new business. Explain why each stakeholder is interested in her business.

[8]

Stakeholder 1 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Stakeholder 2 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Consider the advantages and disadvantages of Mayar buying a franchise from a big clothes retail business instead of setting up her own clothes shop. Which option do you think she should take? Justify your choice. [12]

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