

40 Questions you must be able to answer for Unit 1

Setting Up and expanding

1. Give 2 reasons for people setting up their own business
2. State 2 objectives a business might have in its first year of operation
3. Explain what is meant by a Sole trader
4. Give 2 advantages and 2 disadvantages of being a Sole Trader
5. Explain what is meant by a Partnership
6. Give 2 advantages and 2 disadvantages of being a Partnership
7. What is meant by a Private Limited Company
8. Give 2 advantages and 2 disadvantages of being a Private Limited Company
9. Explain what is meant by a Franchise
10. Give 2 advantages and 2 disadvantages of setting up as a Franchise
11. One source of finance is selling shares to friends and family – 2 advantages and 1 disadvantages of this?
12. A second source of finance is a bank loan. 2 advantages and 2 disadvantages of this?
13. A third source of finance is borrowing from friends and family. 1 advantage and 1 disadvantage of this?
14. Explain 2 main sections that you would include in a business plan
15. Give 2 benefits of writing a good Business Plan
16. Give 3 reasons why a business plan does not guarantee success.
17. Explain 2 ways in which you can reduce the risk of setting up a new business
18. What is a stakeholder and give 3 examples

Marketing

19. Explain 2 methods of Market research and explain how each method can make a business more successful
20. Name the 4 elements of the Marketing Mix
21. Give 3 ways in which a business can increase sales
22. Give 3 ways in which a new business can raise awareness of their products
23. What is e-commerce?
24. Give 3 advantages of e-commerce?
25. Give 2 disadvantages of e-commerce
26. What is customer service and give 2 ways in which a company might provide it
27. Give 2 benefits of providing good customer service
28. Give 2 reasons why a business might see a fall in profits.

Production and Employees

29. What is Job production?
30. Give 2 advantages and 2 disadvantages of Job Production
31. What is Batch production
32. Give 2 advantages and 2 disadvantages of Batch Production
33. Using an example explain what is meant by a product being 'fit for purpose'
34. Explain 2 laws that we must follow if we employ people
35. List 3 ways we can advertise for new workers
36. Explain 3 parts of the recruitment process we can use to make sure we recruit the best worker
37. Apart from wages, Give 3 ways in which you can motivate workers
38. Give 1 advantage and 1 disadvantage of using 'piece rates'
39. How do you calculate profit from Price, Variable Cost, Fixed Cost and Number Sold?
40. Make sure you understand a Cash Flow Forecast and know what forms can do to improve Cash Flow