

Y10 BUSINESS – BUSINESS ACTIVITY



A ROLE OF ENTERPRISE		
1	Enterprise	Seeing an opportunity to sell/provide a product or service
2	Entrepreneur	A person who takes the risk of starting and running a business
3	Characteristics	Risk-taking, creativity, determination, confidence
4	Risks	Financial, Health, Strained relationships

B BUSINESS PLANNING		
1	A business plan	A simple plan which sets out the details of the business
2	Purpose of a business plan	To reduce the risk of starting a business and to help a business succeed
3	Role of a business plan	Identify markets, help with finance, Identifying resources needed, achieving aims and objectives.
4	Contents of a business plan	Aims and objectives, target market, competition, The idea, the people running it, market research, finance
5	Finance	The money needed to start the business

C BUSINESS OWNERSHIP		
1	Sole Trader	a person who is the exclusive owner of a business, entitled to keep all profits after tax has been paid but liable for all losses.
2	Partnership	A partnership is a form of business where two or more people share ownership, the responsibility of managing the company, income or losses.
3	Private Limited Company (LTD)	A company that cannot advertise shares for sale and is often owned by family members. They have limited liability.
4	Public Limited Company	A company that can advertise shares for sale which can be purchased by any through the stock exchange.
5	Unlimited liability	Responsibility for the debts of the business rests with the owners
6	Capital	Money raised to start or develop a business
7	Deed of partnership	A document setting out the operations of the partnership

8	Sleeping partner	Someone who only invests in a partnership
9	Limited liability	Responsibility for the debts of the business is limited to the amount invested
10	Shareholders	Owners of a limited company
11	Dividend	Money paid to shareholders from business profits

D BUSINESS AIMS AND OBJECTIVES		
1	Objectives	A specific target for a business to achieve.
3	Survival	Risk-taking, creativity, determination, confidence
4	Profit	The difference between revenue and costs
5	Market share	The share of the total market for a product /service
6	Growth	This is where the business increases in size through sales and/or capacity

E BUSINESS STAKEHOLDERS		
1	Stakeholders	Groups of people or individuals who have an interest in a business
2	Internal stakeholders	People with an interest in and who work in the business
3	External stakeholders	People with an interest in but who are outside of the business

F BUSINESS GROWTH		
1	Organic growth	Internal growth using own resources.
2	External growth	Occurs externally through mergers and takeovers.
3	Merger	Two or more businesses agreeing to join together
4	Takeover	One business takes control of another
5	Diversification	Two businesses coming together with no connection