

Part one: 14/14 100%

Part Two: 13/13 100%

BUSINESS IN ACTION – PART 1

S3 BUSINESS MANAGEMENT

Business in Action Assessment Questions

BGE: 3rd & 4th Levels

Pop-ies start-up

Read the following case study and answer the questions below.

Derek McKenzie opened his first 'Pop-ies' fast food restaurant in Stirling. The idea behind Pop-ies is simple: making and selling pies to meet customers' tastes. Each pie has a name, for example the pie containing spinach and feta cheese is known as the 'Popeye' while the pie containing Spaghetti Bolognese is known as the 'Pavarotti'. The pies are all made fresh on-site and Pop-ies also sells cookies and drinks.

The success of Pop-ies has come as no surprise to friends of Derek who describe him as a confident and driven individual, always prepared to take risks, work hard and put money into his business ideas. At a recent awards ceremony for small businesses, Derek was also described as an excellent communicator, organiser and decision maker.

3-1.1

1. Tick the type of business that Derek has started:

	<input checked="" type="checkbox"/>
Sole Trader	<input checked="" type="checkbox"/>
Partnership	<input type="checkbox"/>
Social Enterprise	<input type="checkbox"/>

1

3-1.1

2. Give one feature of this type of type of business.

it is controlled and owned by one person (Derek)

1

3-1.5

3. Outline an advantage and a disadvantage of this type of business.

Advantage	Disadvantage
-easy to set up	-Unlimited liability

2

Moving forward further explanation of points required

4. Outline 2 features of a Private Limited Company (Ltd).

Feature 1	Feature 2
owned by share holders	Business is separate from the owner

2

3 - 12

5. Derek is an entrepreneur. Identify 2 skills and 2 qualities Derek has shown in starting up his business.

Skills	Qualities
decision making	Confident
Communication	driven

4

6. List the 3 sectors of industry.

1. Primary
2. Secondary
3. Tertiary

3

7. In order to discuss taking out a bank loan with his Bank Manager, Derek would have had to create which kind of document? Tick the correct box:

Deed of Partnership	<input type="checkbox"/>
Business Plan	<input checked="" type="checkbox"/>
Memorandum of Association	<input type="checkbox"/>

1

BUSINESS IN ACTION – PART 2

4 - 11 1. Individuals start a business for many reasons. A few are listed below.

Outline reasons why individuals may set up in business
1. You can be your own boss
2. Make your own decisions
3. Do what you are interested in

2

4 - 12 2. Individuals who start a business are called entrepreneurs. They need to have certain skills and qualities to ensure the business is successful. Some of these are:

Describe the skills and/or qualities of an entrepreneur
1. Problem solving
2. enthusiasm
3. risk taking

2

Move forward further dev of points required

4 - 13 3. When setting up a small business the main two options available are sole traders and partnerships.

Outline the features of a Sole Trader	Outline the features of a Partnership
<ul style="list-style-type: none"> Owned and controlled by one individual. All profits are kept by that individual. Has total responsibility for all aspects of the business. If the business fails the owner's personal possessions can be sold to pay off any business debts. 	<ul style="list-style-type: none"> 2-20 partners Profits are split has deed of partnership document

2

4. Describe 3 of the 4 factors of production.

Factor	Description
1. Land	these are the natural resources used by a business
2. Labour	the human resources like employees & managers.
3. Capital	assets of a business like finances.

3

5. Some people are said to be 'enterprising'. Describe what this term means.

Description
enterprising is is when someone has a strong determination to make profit

1

6. Explain 2 risks which someone starting a new business may have to take.

Explanation of risks
1. losing assets
2. investing

2

7. Define the term non-durable good.

Description
a non-durable good is some a good that will not last long such as a sandwich

1