

**Below are your tasks for the next seven days in the subject listed above.**

Present New Information:

Last week you looked at different types of business ownership such as Sole Traders and Partnerships and this week we will look at PLC's and LTD's

This will all link back to our big question 'How do businesses make a profit?'

Key terms that will be looked at this week are **Unlimited Liability** and **Limited liability** and these are very important concepts for understanding different types of business and how much risk a business is willing to take.

**Apply:** Complete the activities on the following slides. Where possible, use lined paper and a biro to complete your answers in the first instance.

Please date your work and title with "Year 8 Enterprise Week Four" – this will help you to keep your work organised!

**Feedback for improvement reflection (Part 1)****Task title**

Advise Billy on whether he should set up as a Sole Trader or a Partnership.

Success criteria	WWW	EBI
1) Explain reasons for setting up as a sole trader (Why this might be better?)		
2) Explain reasons for setting up as a partnership (Why might this be better?)		
3) Conclusion: Your overall decision and why? Do you have 3 clear paragraphs?		

## Feedback for reflection (Part 2)

Billy could operate his kebab shop as a sole trader. A sole trader is business that is owned and run by one person. However, a sole trader is still able to employ other people and he would need some staff in the kebab shop to help him operate the business. One of the advantages of being a sole trader is that he will be able to keep all of the profits the business makes for himself. However a disadvantage of being a sole trader is that he has the risk of unlimited liability and this means that if his business fails, Billy will have to pay all the bills from his own expenses and could risk losing his home, car or any other assets he owns.

Billy could decide to create a partnership for his kebab business and a partnership is a type of business where there are a minimum of two people who set up the business and decide how it is run. One advantage of a partnership is that working with another person will allow for more experience and ideas and this could help to grow and support the business. A potential disadvantage is that Billy will need to now share the profits the business makes so he will need to think whether the business will be able to support both partners.

Billy will need to look at his experience and skills and decide what is the best option for him. Positive factors are that he has A levels in Business and has a degree from University in Business. This means that he qualified to understand how businesses operate. Another positive is that he is really passionate about his business idea and wants to work hard making his dream happen. Billy will need to decide how much risk he is willing to take with his new business and whether he would want unlimited liability as a sole trader and be responsible for all the debts in the business or have shared unlimited liability in a partnership which would be easier if the business had debts. One area where Billy might need more support is that he has limited experience working in a kebab shop. Therefore my conclusion would be that a partnership might be the best option as he will have support and ideas from his business partner and that additionally the debts in the business will be shared, rather than solely Billy's responsibility.

## Year 8 Enterprise Week Two – Complete All Tasks

Task	Task	Support	How long should I take?
1	Recap on your learning from last week. Write a few sentences on what a Sole Trader is and what a Partnership is.	First do this from memory without looking at your notes to see what you have remembered.	20 minutes
2	Explain what <b>unlimited liability</b> and <b>limited liability</b> mean? What are the advantages and disadvantages to both?	<a href="https://www.bbc.co.uk/bitesize/guides/zmdhbk/revisi&lt;br/&gt;on/1">https://www.bbc.co.uk/bitesize/guides/zmdhbk/revisi on/1</a> <a href="https://www.bbc.co.uk/bitesize/guides/zmdhbk/revisi&lt;br/&gt;on/2">https://www.bbc.co.uk/bitesize/guides/zmdhbk/revisi on/2</a> Use an online dictionary to find the meaning of any unfamiliar words.	20 to 30 minutes
3	1) Complete a table of advantages and disadvantages of PLC 2) Do the same for a LTD	<a href="https://www.bbc.co.uk/bitesize/guides/zmdhbk/revisi&lt;br/&gt;on/5">https://www.bbc.co.uk/bitesize/guides/zmdhbk/revisi on/5</a> One example for each has been found for you. How many reasons can you find?	30 minutes
4	What is a PLC and what is a LTD?  Competition with a family member or call a friend! Can they identify whether the 10 businesses are a PLC or LTD?	Do some research on the internet to find the answers. Be the teacher and tell them what you have found out.	40 minutes

## Task 1

**Recap on previous week!**

- 1) What is a Sole Trader?
- 2) What is a Partnership?

## Task 2

1) **Limited liability means.....**

2) **Unlimited liability means.....**

### Task 3

Advantages of a PLC	Disadvantages of a PLC	Advantages of a LTD	Disadvantages of a LTD
		Owners have Limited Liability	
	More regulation than a LTD and this can increase costs for the business		
			More paperwork to do
Shares can be bought and sold easily.			

## Task 4

### Research task

**Identify whether the following businesses are a PLC or a LTD:**

**Ask or call a family member/ friend to see if they know the answers? Do some research and see whether they were right?**

Tesco

Next

B&Q

Sandwell Accountancy Services

New Look

Arsenal Football Club

West Bromwich Albion Football Club

John Lewis

Poundland

Formula One

**How many did your family member or friend get right? Can you explain to them what a PLC and LTD are?**