

Business Studies Unit 1

Basics for setting up a business

Why are businesses owned in different ways?

- How big your business is
- How much profit you make
- Number of people that own it
- The amount of customers
- Amount of employees
- Limited/ Unlimited Liability
- How profit is shared
- Locations
- Shareholders
- Number of stakeholders
- Type of product / service
- The way its financed
- Who makes the decisions
- Who's responsible for the actions of the business
- Who pays the debts
- Aims and Objectives

Sole Traders

Key points for being a sole trader:

- Unlimited Liability (if you cant pay debts personal possessions will be taken instead)
- Easy to set up (register with tax office)
- PAYE (pay as you earn tax)
- Get to keep all profits to themselves