Business unit 1 Revision

Enterprise

Needs: essentials we need to survive, can be SATISFIED

Wants: Non-essentials we desire, cannot be satisfied – UNLIMITED

SME: small and medium enterprises

Primary sector: extract raw materials. Industry declined

Secondary sector: manufacture raw materials into goods. Industry declined

Tertiary sector: provide a service. Industry declined

Entrepreneur: starts and runs all aspects of a business

Public sector: owned & run by government. Provide ESSENTIAL services

Non excludability: can't prevent anyone from using the services

Non-rivalry: services not reduced from others use; one's consumption not effected by others using it

Public goods: provided by government; cannot by measured (non-rivalry)

Merit goods: provided by government or privately; aim to improve living standards

Private sector: Owned and run by shareholders and private individuals

Sole trader: owned and run by one person

Partnership: joint ownership between 2-20 people

Deed of Partnerships: legal document which sets the terms&conditions of the partnership

Private companies: business with a separate legal identity

Companies House: private companies register at Companies House, receive a CERTIFICATE OF INCORPORATION

Memorandum of Association: details of company; name, location, selling

Articles of Association: internal running, rights of shareholders

Private Limited Company: owned by shareholders who are usually friends and family (investors&directors)

Public Limited Company: large well-known business that sells shares to the public on the STOCK EXCHANGE (FTSE). Shareholders receive dividends and can attend annual meetings

Social enterprise: has social objectives, profits reinvested into community. Some employ socially challenged

Workers co-operative: business run and owned by its workers, profits shared

Charities: considered a trust fund, role to benefit the community. NON-PROFITABLE, staff usually volunteers