

## Half Term Revision

### What do the command words want you to do?

State/identify	One word, one sentence	<b>State</b> 1 advantage of being a private limited company: 1. Limited liability
Explain	State... <b>THEREFORE/BECAUSE</b>	<b>Explain</b> 1 advantage of being a private limited company  1. Limited liability <b>THEREFORE</b> they are not responsible for the debt of the company
Analyse	State.... <b>THEREFORE...THEREFORE</b>	<b>Analyse</b> 1 advantage of being a private limited company  1. Limited liability <b>THEREFORE</b> they are not responsible for the debt of the company, <b>THEREFORE</b> they only lose their initial investment
Evaluate/recommend	Definitions, advantages... <b>therefore</b> , disadvantages.... <b>therefore</b> , I recommend... <b>DEPEND</b>	Shirtz is owned by Sarah and Mark. They want the business to grow and are considering changing to a private limited company.  <b>Evaluate</b> whether Shirtz should stay as a partnership or change to a private limited company.  A partnership is <u>2-20</u> people. A private limited company would mean that Sarah and Mark would <u>sell shares to family and friends</u> . An <u>advantage</u> of this is they can <u>raise capital</u> , <b>therefore</b> will have the money they need to <u>grow</u> . <i>However</i> , when the business makes a profit, they will have to pay <u>dividends</u> to their shareholders. This means that a % of the profit is paid out, <b>therefore</b> they do not get to keep all of the profit for the 2 of them....
Calculate	Work it out... <b>REMEMBER TO SHOW YOUR WORKING OUT</b>	Even if you get the answer <b>wrong</b> , you can still <b>get marks</b> for getting <b>some</b> of the calculations <b>correct</b> .

**Task 1**

How can a business be more environmentally friendly?

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**Task 2**

Analyse one disadvantage of a business being more environmentally friendly

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**Task 3**

Explain 2 advantages to a business of globalisation

1. ....  
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2. ....  
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**Task 4**

List the advantages and disadvantages of using ecommerce

Advantages	Disadvantages

**Task 5**

Explain 2 impacts of a rise in unemployment on a business

1. ....  
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 .....
2. ....  
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**Task 6**

Gross profit margin	70%
Net profit margin	50%

A business makes £300 000 profit. Calculate the value of:

1. Gross profit margin:  
 .....  
 .....  
 .....
2. Net profit margin  
 .....  
 .....  
 .....

**Task 7**

Fixed costs £10 000

Selling price £10

Variable cost £5

1. Calculate the breakeven point  
 .....  
 .....  
 .....
3. Explain 1 way a business can use breakeven as a tool  
 .....  
 .....

**Task 8**

State 3 ways a business can sell products:

- 1.
- 2.
- 3.

**Task 9**

Explain 1 reason why good customer service is important for a business

1. ....  
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**Task 10**

Analyse 2 advantages to a business of using automate production

1. ....  
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2. ....  
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**Task 11**

Explain 2 reasons why quality is important to BMW

1. ....  
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2. ....  
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**Task 12**

Analyse 1 impact a fall in consumer incomes could have on Next PLC

1. ....  
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