[A picture containing text, outdoor, dark, night

Description automatically generated](https://www.knowitallninja.com/)Planning & Types of Ownership

# Task 1

Answer the questions below:

(a) What does a business model describe?

A business model describes how your business creates and delivers its products or services.

(b) List the four questions we should use to complete a simple business model:

|  |  |
| --- | --- |
| Questions | |
|  | Where are we now? |
|  | Where do we want to be? |
|  | How do we get there? |
|  | How do we know when we’ve arrived? |

# Task 2

Answer the questions below:

(a) What is a sole trader?

A sole trader business is owned and run by one individual.

(b) Look at the statement below. Explain what it means and what it means for the business:

‘There is no distinction in law between the person who owns the business and the business itself.’

This means by law, the sole trader is completely responsible and accountable for the business, including any losses or debt accrued. The sole trader can therefore keep the business profits, as long as they pay their taxes and adhere to the necessary laws.

(c) There are five common benefits of sole trader ownership. List three of these reasons below:

|  |  |
| --- | --- |
| Benefits | |
|  | You can start your business immediately |
|  | You have complete control of the business |
|  | There are less tax responsibilities |

*(The above are just example answers in the table above, some other suggestions include, more flexibility, more financially rewarding with fewer overheads).*

# Task 3

Answer the questions below:

1. What is the difference between a social enterprise and a sole trader?

A social enterprise differs from a sole trader, due to the way they use their profits.

1. How does a social enterprise use their profits?

­­­­­­­­­A social enterprise reinvests or gives way their profits to create positive social change and to make things better for other people.

1. Give an example of a social enterprise and explain what the social enterprise does.

Answers may vary. Students should give at least one example, but could include information from the two examples below:

* Breadwinners – A grassroots charity providing employment and training for refugees and young people seeking asylum through artisan baking.
* The Skill Mill – Provides employment opportunities for young ex-offenders in water and land-based management.