1.8 Business ownership: 10-minute Pack

AQA 8132 · Calculator allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show your working for any calculation. In your longer answers, use relevant business terminology and apply your points clearly to the scenario given.

1 Which one of the following is an example of unlimited liability?

- ☐ A) A shareholder in a private limited company only loses the money they invested
- ☐ B) A sole trader is personally responsible for all of the business's debts
- ☐ C) A member of a private limited company only loses their investment
- ☐ D) A franchisee's liability is limited to the franchise fee they paid

(Total for Question 1 is 1 mark)

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2 State two features of a sole trader business.

(Total for Question 2 is 2 marks)

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3 State two features of a partnership business.

(Total for Question 3 is 2 marks)

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4 Compare a partnership with a private limited company (Ltd) as forms of business ownership.

(a) State two similarities between a partnership and a private limited company. **(2)**

(b) State two differences between a partnership and a private limited company. **(2)**

(Total for Question 4 is 4 marks)

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Mark scheme · 1.8 Business ownership: 10-minute Pack

Question 1

B cao **B1**

Answer: B

Question 2

one acceptable feature, e.g. owned and run by one person **B1**

a second acceptable feature, e.g. the owner keeps all the profit but has unlimited liability for the business's debts **B1**

Answer: Any two, e.g. owned by one person; the owner has unlimited liability and keeps all the profit.

Question 3

one acceptable feature, e.g. owned by between two and twenty partners (typically) **B1**

a second acceptable feature, e.g. partners usually share unlimited liability for the business's debts **B1**

Answer: Any two, e.g. owned by two or more partners; partners usually have unlimited liability.

Question 4

(a) one acceptable similarity, e.g. both usually have more than one owner sharing decisions **B1**

(a) a second acceptable similarity, e.g. in both, profit is shared between the owners (partners share profit; shareholders receive dividends) **B1**

(a) Answer: Any two, e.g. both usually have more than one owner; in both, profit is shared between the owners.

(b) one acceptable difference, e.g. a partnership has unlimited liability, while a Ltd has limited liability for its owners **B1**

(b) a second acceptable difference, e.g. a Ltd is a separate legal entity from its owners, while a partnership generally is not **B1**

(b) Answer: Any two, e.g. partnership = unlimited liability, Ltd = limited liability; Ltd is a separate legal entity, a partnership generally is not.

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