



Year 9 Knowledge Organiser – Topic 1: Business Ownership

Sole Trader


Definition: Businesses owned by one person who has unlimited liability. Other people can be employed but there is only one owner.


- Advantages
Profit – can keep all the profit / no need to share
Making decisions – without consulting others so will be faster
Own boss – free to choose and make decisions
Independence – can work at own pace
Ease of setting up – fewer formalities and cheaper
Create a job – may not have found one in another business

- Disadvantages
Unlimited liability – responsible for all debts of the business
More responsibility – relies on own ability, long hours and limited holiday as there is nobody who can cover them
Limited resources – difficult to obtain finance

Franchise


Definition: A business that gives the right to another person or business to sell goods or services using its name.


- Advantages
Training and support – offered to franchisee’s
Established brand name – making it lower risk as already proven

- Disadvantages
Fees – payments (royalties) must be made to franchisor
Expensive – to set up as a shop may need to be fitted
Decisions – must be approved by franchisor
Competition – other stores may be opened in the same area

Partnership


Definition: Businesses owned by 2-20 people (run by at least 2 people) which is unincorporated and has unlimited liability.


- Advantages
Raise more capital than ST’s – as banks see them as less risk
Extra skills and expertise – as different owners may specialise in certain areas of the business
Shared responsibility – reduces pressure on duties (working hours / can take time off)
Ease of setting up – fewer formalities and cheaper than limited companies

- Disadvantages
Unlimited liability – partners are responsible for all debts
Disagreements – and increased time used to discuss options
Imbalance of work in partners – some partners may not work as hard as others

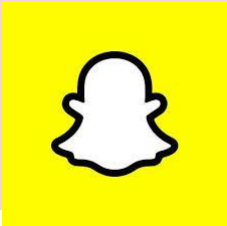
Private & Public Limited Companies

Definition: Businesses owned shareholders with limited liability. Private shares can be sold to friends and family; public shares can be sold on the stock exchange market.

- Advantages
Limited liability – can only lose any investment made into the business
More resources – capital is easier to obtain from external sources (the bank)
Specialised operations – functional areas have specialised staff in management
Invited shareholders – with Ltd’s means it’s easier to maintain control

- Disadvantages
Cost of setting up – takes more time and has official paperwork required
Dividends – profits are shared as a reward through payments to shareholders
Affairs not kept private – competitors can easily see financial details and success/challenges
Risk of loss of control – if other shareholders gain majority
Slow decision-making – as long chains of command

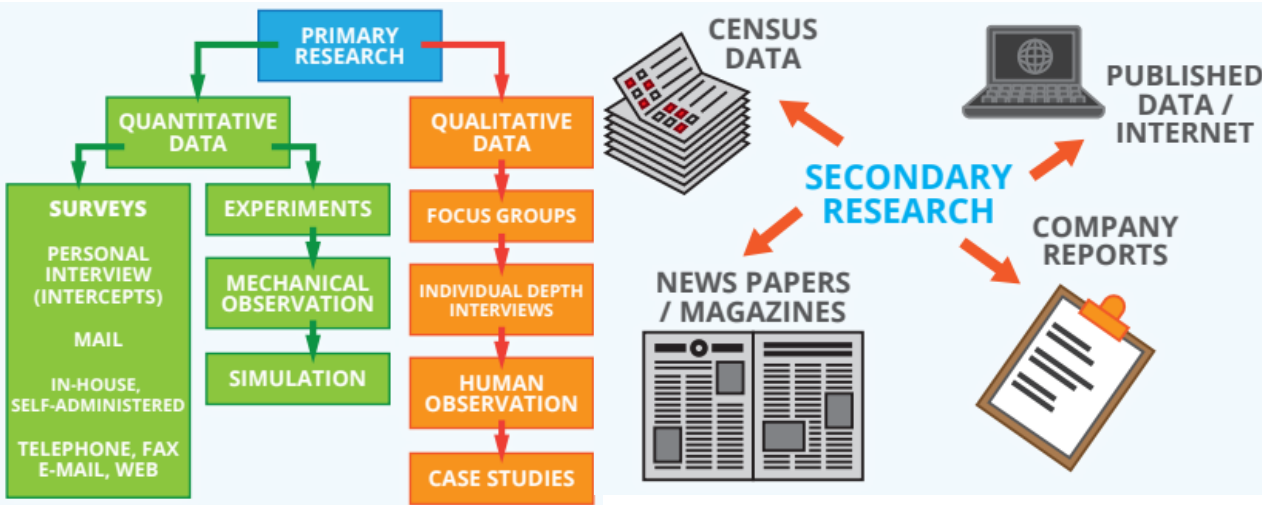
Which ownership types are the following businesses?
Why do you think as businesses grow the ownership type changes?
Would you prefer to start a business as a Sole Trader or a Partnership?



Year 9 Knowledge Organiser – Topic 2: Market Research

Primary Research		Secondary Research	
Definition: Research that is conducted for the first time and is specific to the business.		Definition: Research that is found from other sources not specific to the business.	
<div><div>✔</div><div>✔</div></div>	<div><div>Advantages</div><div>Specific – to the business’ objectives</div><div>Detailed – can draw own conclusions</div><div>Relevant – as it relates to an objective set by the business</div><div>Up to date – as is conducted fresh</div><div><i>The business can decide to gather a mixture of quantitative and qualitative.</i></div></div>	<div><div>✔</div><div>✔</div></div>	<div><div>Advantages</div><div>Quick and easy – to gather information that is already available</div><div>Industry specific – reports are usually available with data</div><div>Analysis – is usually easy because information is already organised</div></div>
<div><div>✘</div><div>✘</div></div>	<div><div>Disadvantages</div><div>Time-consuming – takes time to plan, organise, carry out and analyse</div><div>Expensive – cost of designing the research needs to be considered</div><div>Difficult – to collect as staff may not be experienced</div></div>	<div><div>✘</div><div>✘</div></div>	<div><div>Disadvantages</div><div>Not specific – to the business’ objectives</div><div>Out of date – it could have been a long time since the information was collected</div><div>Biased or inaccurate – depending on source</div></div>
Methods: surveys, questionnaires focus groups and experimentation.		Methods: internet research, market reports, government reports and printed materials.	
Quantitative Data		Qualitative Data	
Definition: Expressed as graphs, charts or numerically.		Definition: Expressed as opinions and is usually descriptive.	
<div><div>Advantages</div><div>Quick and easy – to gather, analyse and display information</div></div>		<div><div>Advantages</div><div>Detailed – provides information that cannot be displayed in a graph</div></div>	
<div><div>Disadvantages</div><div>Difficult – to understand exactly what customers think as lacks specific opinions or information</div></div>		<div><div>Disadvantages</div><div>Time-consuming – takes time to collect and analyse as can have many different responses to the same question</div></div>	

Surveys and Questionnaires	Asks questions to get opinions and learn about customers’ experiences with a product or service.
Focus Groups (group interviews)	People are asked questions or given scenarios to discuss their opinions about a product or service. Their replies provide businesses with more in-depth information than questionnaires.
Experimentation and Observations	Involves watching customers to find out their reactions to certain products or services. Could involve watching someone try a drink for the first time or observing their journey in a shop.
Internet Research	Includes data taken from competitors’ websites, newspaper articles and social media. This provides a business with an overview of information relating to its industry.
Market and Government Reports	Are industry specific (market reports) whereas government reports provide less industry specific data.
Printed Materials	Includes information found in books or magazines which can quickly become outdated.



Year 9 Knowledge Organiser – Topic 3: External Influences

Ethics	Involves a business doing what is morally right, not just the minimum set out by the law.
Technology	Allows businesses to communicate, advertise, control stock, manage databases, keep records, use spreadsheets, sell goods and services or research using the internet.
The Economy	Impacts of unemployment, interest rates and inflation on business decisions.
Environmental	Making decisions with the intention of protecting the Environment through initiatives like recycling, waste disposal and noise/air pollution.
Globalisation	The selling of goods and services across the world to increase sales, brand awareness and economies of scale.
SWOT/PEST	Analysis tools to help identify strengths, weaknesses, threats and opportunities of a business; or any external influences.



INFLATION

