

ASSESSMENT # 1**Total Marks: 30**

1. Describe the importance of business environment for a business firm. 15
2. Explain the social responsibility of business towards different groups. 7

Case Study

8

William Simpson opened a news agency as a sole trader in 1998 with the help of his wife. He had previously worked for a super market but wanted a new challenge. It cost him £7000 to set up but he was left to work long hours when his wife fell ill. He employed an assistant manager but the shop began to lose money.

1. Using examples from the case study or from your own knowledge , explain the meaning of ;
 - a. limited liability company
 - b. partnership
2. Describe the advantages of being a sole trader
3. Point out the reasons why a third of sole traders cease trading within their first year of trading?