**Formal Formative Combined Unit 4 and 5 (Graded - 20 Marks)**

**1. BGN sells furniture such as beds and tables. It started as a partnership but is now a private limited company. BGN has expanded quickly and has 10 shops located in different cities. Each shop manager is responsible for recruitment and decisions about inventory levels. For the cost cutting initiative, they are planning to lay off employees.**

**(a) What is meant by partnership?**

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**(b) Identify and explain two advantages to BGN of being a private limited company.**

**Advantage 1: ....................................................................................................................................**

**.........................................................................................................................................................**

**Explanation: ……………….....................................................................................................................**

**……………….........................................................................................................................................**

**Advantage 2: ....................................................................................................................................**

**.........................................................................................................................................................**

**Explanation: ……………….....................................................................................................................**

**……………….................................................................................................................................... [4]**

**(c) Identify and explain BGN’s decision that may influence any two of stakeholders?**

**Stakeholder 1: ..................................................................................................................................**

**Explanation: .....................................................................................................................................**

**.........................................................................................................................................................**

**Stakeholder 2: ..................................................................................................................................**

**Explanation: ……………........................................................................................................................**

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