Types of Organisations

**1. Sole Trader – Recapitulation**

Select the correct word to complete the following statements:

1. The liability of sole traders and most partnerships is limited/unlimited.
2. The maximum number of people who can work for a sole trader is one/two /without limit.
3. One person owning a business is called a partner/sole trader.
4. The person who takes risks in a business is called an employee/entrepreneur.

2. Explain in your own words the concept of ‘Partnership’. Include similarities and differences with ‘Sole Trader’.

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3. State whether the following statements are true or false. Explain your answers.

1. Having a partner means owners have more skills to draw on. True/False

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1. Decisions are made quicker. True/False

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1. A business will have access to less money. True/False

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1. The partnership will have unlimited liability. True/False

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**4. Advantages and Disadvantages**

**Draw up a table with the headings ‘Advantages’ and ‘Disadvantages’ of a partnership. Place the following statements under the correct headings.**

• Unlimited liability.

• Partners share decision-making.

• Keep all business/financial details private.

• Can be difficult to raise finance.

• More owners allow more finance to be put into business.

• More ideas are available.

• Partners can specialise in certain areas of the business.

• Partners have to agree on decisions.

• Able to share workload.

• Partners share the profit.

• Partners can provide cover for others when they are not there.

**Write a sentence for each statement explaining why you think it is an advantage or disadvantage for a partnership.**

**Activity 4.1:**

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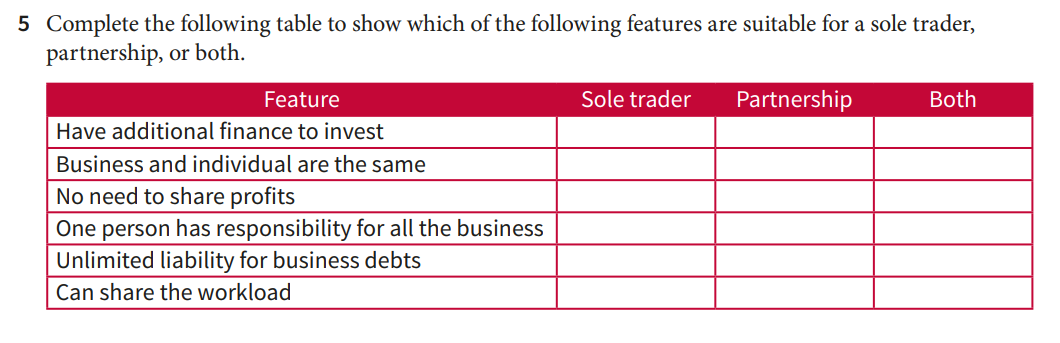
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**Plenary Activity**

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