

1 Barbecue House (BH)

BH is a fast food restaurant and takeaway business, which sells a range of burgers, kebabs, pizzas and side orders. BH also has a delivery service to the local area.

BH is owned by Amir who mortgaged his home to finance the start-up of the business. Amir operates BH as a sole trader. His son also works within the business as a chef. Amir has been advised to change the legal structure of BH and to become a private limited company to protect the business and himself.

BH is located on a busy high street. There are many other similar businesses on the high street and in the surrounding area. Amir knows that the continued success of the business requires him to identify a gap in the market and develop a unique selling point (USP). Amir has carried out some market research (see Table 1.1 and Fig. 1.1).

Table 1.1: Market research data about competitors within 2 km of BH

Total number of competitors	8
Number of competitors who offer delivery services	4
Number of competitors who do not sell Asian food	6

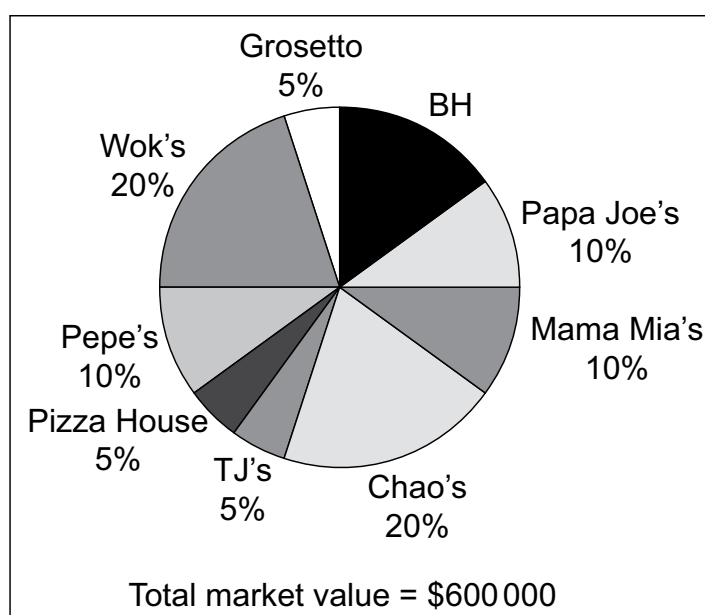


Fig. 1.1: Market share data for competitors within 2 km of BH

The two market leaders are Wok's and Chao's. Both businesses specialise in Asian food but neither has a delivery service. Amir would like to increase BH's market share. He is considering starting to sell Asian food. None of his employees have any experience cooking or selling Asian food but Amir believes that the possible increase in income would be worth any extra costs.

- (a) (i) Identify **one** benefit for a business of a unique selling point (USP). [1]
- (ii) Explain the term 'sole trader' (line 4). [3]
- (b) (i) Refer to Fig. 1.1. Calculate the value in dollars (\$) of BH's share of the market. [3]
- (ii) Explain **one** reason why Amir carried out market research. [3]
- (c) Analyse **one** advantage and **one** disadvantage, to Amir, of BH becoming a private limited company. [8]
- (d) Evaluate whether BH should sell Asian food. [12]