2 **(a)** Define the term *liquidation*. [2]

**(b)** Explain **one** external source of finance for a business. [3]

A-Level Business: **w25 12**

3 **(a)** Define the term *break-even analysis*. [2]

**(b)** Explain **one** limitation for a business of break-even analysis. [3]

5 **(a)** Analyse **two** benefits to a business of using an internal source of finance for business growth. [8]

**(b)** ‘The main reason why many small businesses fail is that they do not understand the difference between cash and profit.’

Evaluate this view. [12]

**OR**

A-Level Business: **s25 13**

2 **(a)** Define the term *incremental budgets*. [2]

**(b)** Explain **one** advantage to a business of using variance analysis. [3]