GAC BUSINESS • EXERCISE SHEET

1.1 Business activity and stakeholders

Name: ____________ Class: ________ Date: __________ **Total: 13 marks**

KEY WORDS business 企业 • stakeholder 利益相关者 • primary sector 第一产业 • limited company 有限公司

Objective

Use the core ideas in **business activity 商业活动** to explain a business decision: what a business does, its ownership, sectors, and stakeholders.

You must be able to:

- identify the primary, secondary, and tertiary sectors
- distinguish sole traders, partnerships, and limited companies
- explain an effect of a decision on a named stakeholder

1 Worked examples

■ Sector first, then reason

A farm grows strawberries. It is in the **primary sector 第一产业** because it extracts or grows a raw material. A factory turning strawberries into jam is secondary; a café selling the jam is tertiary.

■ Stakeholder analysis

A café extends opening hours.

- **Customers 顾客** gain more time to buy food.
- **Staff 员工** may lose evening time and may expect higher pay.
- The owner may gain sales but pay more wages.

Name a stakeholder and give a concrete effect. A list of names is not analysis.

2 Practice

2.1 A company mines copper. State its business sector. [1]

2.2 A company turns copper into electrical wire. State its sector. [1]

2.3 Explain one difference between a sole trader and a limited company. [2]

3 Exam-style questions

3.1 A bakery plans to raise the price of a popular cake. Explain one likely effect on customers and one likely effect on the owner. [4]

3.2 The owner of a new repair shop must choose between operating as a sole trader or a limited company. Recommend one form and justify your recommendation. [5]

Solutions

2.1

- Copper mining obtains a raw material.
- **Primary sector**

2.2

- Wire production changes a raw material into a product.
- **Secondary sector**

2.3

- A sole trader normally has **unlimited liability** 无限责任; business debts can reach personal assets.
- A limited company separates the owner's and business's finances, so the owner usually loses only the investment.

3.1

- Customers may buy fewer cakes because the price is higher.
- The owner may receive more revenue per cake, but could lose sales if customers switch.
- A clear stakeholder effect for each group earns the remaining marks.

3.2

- A limited company can protect the owner's personal assets if the repair shop fails.
- This matters because a new shop has uncertain sales and costs.
- It can also make raising investment easier through shares.
- **Recommendation:** choose a limited company if limiting personal financial risk matters more than the extra administration. (E1)