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)