

1 Owners and stakeholders – Part 2

Name: _____ Class: _____ Date: _____

Vocabulary

Write each word three times.

English

Write it 3 times (English)

limited liability

stakeholder

Recall

Businesses can be owned in different ways, and many groups have an interest in them.

New ideas

Read these first, then do the Practice.

■ 1 Types of business

sole trader	one owner
partnership	2–20 owners
private company	limited liability

A company has **limited liability**
in, not their personal possessions.

– the owners can only lose what they put

■ 2 Stakeholders

A **stakeholder** is anyone with an interest in a business:



Watch out: limited liability means the owners can only lose what they *invested*, not their personal possessions – a key advantage of a company. A **stakeholder** is *anyone* with an interest in the business (owners, workers, customers, government...), not just the owners.

Practice

Try these in order.

1.6 What is a *sole trader*? [1]

1.7 How many owners can a partnership usually have? [1]

1.8 What does *limited liability* mean? [2]

1.9 What is a *stakeholder*?

[1]

1.10 Give two examples of stakeholders in a business.

[2]

1.11 Challenge. A new café opens. Explain why (a) its customers and (b) the local community are both stakeholders.

[2]