1 Avtar owns a car repair business which operates in the private sector. It is a small business with 2 full-time employees. Avtar wants to find out the best way for a business to increase added value. Avtar's business needs finance for many reasons. Avtar wants to know how an economic recession might affect his business.

(a) Identify **two** features of a private sector business.

Feature 1: ....

....

Feature 2: ....

.... [2]

(b) Identify **two** reasons why a business might remain small.

Reason 1: ....

....

Reason 2: ....

.... [2]

(c) Outline **one** reason why Avtar might need each of the following types of finance:

Short-term finance: ....

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....

Long-term finance: ....

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.... [4]

(d) Explain **two** ways an economic recession might affect Avtar's business.

Way 1: ....

....

Explanation: ....

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Way 2: ....

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Explanation: ....

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.... [6]

(e) Explain **two** ways a business can increase added value. Which is likely to be the best way for a business to use? Justify your answer.

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.... [6]