3 Hal wants to be a successful entrepreneur. He plans to leave his job to start up a bakery. The bakery will operate in the private sector. The business will have many stakeholder groups. Hal has been told it is important for a new business to select an appropriate source of start-up capital. He also knows new businesses are at a greater risk of failure.

(a) Define 'private sector'.

....

....

....

.... [2]

(b) Identify **two** reasons why new businesses are at a greater risk of failure.

Reason 1: ....

....

Reason 2: ....

.... [2]

(c) Identify **four** stakeholder groups a business might have.

Stakeholder 1: ....

....

Stakeholder 2: ....

....

Stakeholder 3: ....

....

Stakeholder 4: ....

.... [4]

(d) Explain **two** characteristics Hal will need to become a successful entrepreneur.

Characteristic 1: ....

....

Explanation: ....

....

....

....

Characteristic 2: ....

....

Explanation: ....

....

....

.... [6]

(e) Do you think a bank loan is the best source of start-up capital for a new business? Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

.... [6]