1 Brendan wants to be a successful entrepreneur. He plans to start up a flower shop using government support. Brendan's brother has offered to form a business partnership with him. Brendan knows it is important for a new business to use a suitable pricing method. He has already identified ways the business can increase added value. Brendan wants to know how an economic boom might affect his business.

**(a)** Define 'business partnership'.

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**(b)** Identify **two** ways a government can support business start-ups.

Way 1: ..........................................................................................................................

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Way 2: ..........................................................................................................................

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**(c)** Outline **two** ways an economic boom might affect Brendan's business.

Way 1: ..........................................................................................................................

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Way 2: ..........................................................................................................................

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**(d)** Explain **two** ways Brendan could increase added value for his business.

Way 1: ..........................................................................................................................

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Explanation: ..................................................................................................................

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Way 2: ..........................................................................................................................

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Explanation: ..................................................................................................................

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**(e)** Explain **two** pricing methods a new business might use. Which is likely to be the best method to use? Justify your answer.

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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: ..........................................................................................................

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Feature 2: ..........................................................................................................

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

Reason 1: ..........................................................................................................

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Reason 2: ..........................................................................................................

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

Way 1: ..........................................................................................................

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Explanation: ..........................................................................................................

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Way 2: ..........................................................................................................

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Explanation: ..........................................................................................................

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**(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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