A sole trader is where an individual who is the sole owner of his/her business, he/she can decide in which way the business is conducted. They receive their own wage/salary, what hours they want to work.

Advantages

- Cheap& easy to set up
- Owners keep all profits
- Finical affairs of the business do not have to be displayed, although tax authorities must have access to them.

Disadvantages

- Unlimited liability
- Lack of cover if of sick
- Sole owners have to raise all their own capital

Summary

Being a sole trader you can make changes to your business how you want and when and you have a personal relationship with your customers.

Partnership

A partnership means to share a business with two or more partners. The partners could be family related,

friends or contacts. In this case each partner is liable for any debts taken on by the business.

Advantages

- **With partners you can raise more money than a sole trader**
- **There are more skills involved between the partners**
- **Their holidays and sickness is covered**

Disadvantages

- **Partners have to agree on every thing unlike a sole trader who makes all of the decisions themselves**
- **If the business partnership fails one of the partners may have to pay of the debts of the partnership**
- **You could fall out with one of the partners and this could lead to discomfort within the work place**

Summary

This could be good and bad, it would help if you were low on capital and having a partnership could create new ideas in business, Although on the other hand if you and your partner have a dispute it can lead to bad working conditions and cause the business to fail and leave you and your partners bankrupt. It is very important that you choose the right partners for your business to be a success.

Public limited company

A public limited company must have a least two directors and two share holders, public limited companies must also have a solicitor, accountant. The company must also have a minimum authorised share capital of £50,000 in which must be paid up front and a trading certificate from the registrar of companies before the business can start trading or borrow money.

Advantages

- **Capital available is large and expansion is made easier**
- **Share holders have limited liability**
- **Public limited companies are large and increase influence in the marketing**

Disadvantages

- **Limited companies are expensive to set up**
- **There is a lot of documentation involved that you have to send away every year to register your company**
- **Any one can see how if your business is progressing or not and maybe want to buy you out just by looking at your records**

CO-OPERATIVE

A Co-operative is were any number of individuals or a business working together to benefit communities. The co-operative is formed to help small business or individuals to become part of an expanding group, they have the power to buy or bargain.

There are three main types of co-operatives:

1. **Retail co-operatives**
2. **Marketing co-operatives**
3. **Worker co-operatives**

Advantages

- **Equal control is shared among each worker**
- **There is a lot of loyalty & support within the community**
- **It is self-governing**

disadvantages

- **There may be a lack of skills required to run& control the business**
- **The business may suffer from little/no capital**
- **There is a high failure in the rate of co-operatives**

Summary

They suffer from no profit instead they stay loyal to their customers in the communities.