

Business Studies Assignment 2

Classification of businesses according to their types of activity.

Primary

Primary production includes activity which takes the natural resources from the earth, taking raw materials and growing food, mining and fish and forestry and types of primary businesses.

Example: Potters PYO

Secondary

Secondary production is manufacturing, construction, transforming raw materials into products, car production, distilling, baking, shipbuilding and office construction these are all secondary examples of business.

Example: Safeway's

Tertiary

This involves public services like hairdressing, retail shops, security banking, tourism; these are all types of tertiary banking.

Example: Tony and Guy Hairdressing

Classification of business according to their broad ownership.

Public Sector

The public sector is made up of organisations that are accountable by the government, they are given money by the government, they tend to supply public services rather than produce products, and there are lots of different organisations which are part of the public sector

Example: The Bank of England.

Public companies.

Also known as PLC's there are around 500,000 limited companies but only a few are public limited companies! They contribute a lot more to the economy than normal LTD's, PLC's stock and shares can be bought and sold on the stock exchange.

To become a Public limited Company you need:-

- Memorandum of Association
- Articles of Association
- Statutory Declaration

This document tells the company what they need to have in the company. Once this has happened companies can 'go public', companies that have gone public are Manchester United, Carpet Right! Going public can be very expensive.

- Company needs lawyers
- 'Glossy' publications
- Minimum of £50,000 share capital

Example: Manchester United FC

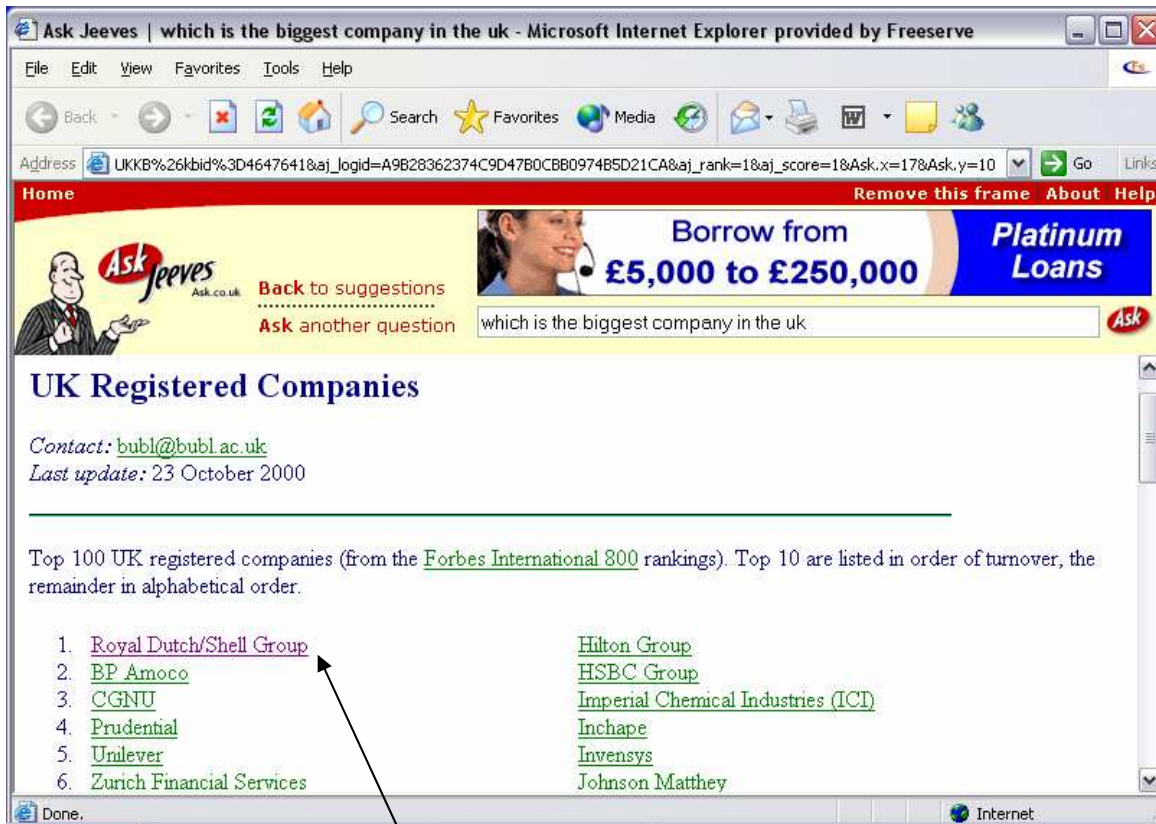
Classification of business according to their size

How to define the size of a business:

- Capital Employed
- Level of Turnover
- Level of Profit

According to yearly turnover the largest UK Company is the Shell Group/Royal Dutch this provides us with petrol for our cars I got this information from:

http://www.ask.co.uk/answer.asp?qCategory=COM_&pick=true&origin=0&qSource=11&ask=which+is+the+biggest+company+in+the+uk&frames=True&site_name=ukkb&scope=web&metasearch=True&r=&hasblanks=&prn=False&aj_is=yes&aj_product=answers&aj_ques=snapshot%3DUKKB%26kbid%3D4647641&aj_logid=A9B28362374C9D47B0CBB0974B5D21CA&aj_rank=1&aj_score=1&Ask.x=17&Ask.y=10



Top Businesses in UK.

It contains the top 100 businesses according to the level or turnover.

Local: these are small firms that are in a local area they employ a small workforce and may only have 1 outlet.

Example: Molly Maids

National: these are larger firms that may have more than 5 outlets and employ a larger workforce.

Example: Royal Mail.

Multinational: These are worldwide organisations with maybe 10 different outlets in a country; they employ a large workforce and have a large year turnover.

Example: MacDonald's.

Choose 2 contrasting businesses in the area where you live and write a report on them.

Molly Maids and Mick Windows Cleaning.

Mick's window cleaning.

- Sole trader
- Tertiary sector
- 1 man force

Strengths and weaknesses.

As a sole trader Mick can keep all profits because he doesn't have to pay wages to a workforce he doesn't have, he obviously has to buy new squeegees his rate for 1 house is £7.50 and does 27 house's down my road, splitting the houses into 2 days

$£7.50 \times 27 = £202.2$ out of this £25 is spent on new squeegees and window scrapers.

After tax Mick can walk away with the rest of the money and spend it how he will!

Also Mick has just taken on the Aldershot Military Estate Contract where he will be cleaning houses around there, for this he may take on some more employees to spilt the work load.

Molly maids.

- Franchise
- Tertiary sector
- 5,000,000 homes

The molly maid tradition had been going since 1979 and was started in Canada; they clean over 5,000,000 homes and have more than 400 franchisees.

One external factor is that the harder it is to get homes in the city people with commute more and they will have to buy homes on the outskirts of cities, while they are working in the city they may not have time to clean there houses and this is where the part of the molly maids comes in! While the business peoples are away working there houses will be cleaned spotless as the molly maids promise says.