

Introduction

In this coursework I have been set a task to set up my own business using the information I have received in my school lessons. I will borrow a £20,000 loan from the bank to start up my business. I have chosen to open a traditional restaurant serving mainly Indian dishes. It will be called Kashmiri Spices. The reason why I have decided to open a restaurant is because it is easy to run and does not require difficult work. I will run the business on my own, being a sole trader so I have total control and earn all the profit which is made. Being a sole trader, I am aware that I will have unlimited liability which can be a scare but I have researched thoroughly and am confident that the business will run well.

Type of business

Sole traders

Sole trader describes any business that is owned and controlled by one person, although they may employ workers. This could be a restaurant, for example. Individuals, who provide a professional service like hairdressers, plumbers or photographers, are also sole traders. Sole traders do not have a separate legal existence. As a result, the owners are personally liable for the firm's debts, and may have to pay them out of their own pocket. This is called unlimited liability.

A Sole trader has no one to share the responsibility of running the business with. A good hairdresser, for example, may not be very good at handling the accounts. Another disadvantage is that Sole traders often work long hours and find it difficult to take holidays, or time off if they are ill. They are responsible and do not have the luxury of time off. There is also the risk of unlimited liability, where the sole trader can be forced to sell personal assets to cover any business debts. The advantages of a sole trader are that the firms are usually small, and easy to set up. The wage bill will usually be low, because they're a few or no employees and it is easier to keep overall control, because the owner has a direct approach to running the business and can make decisions without consulting anyone else.

Partnerships

Partnerships are businesses owned by two or more people. A contract called a deed of partnership is normally drawn up. This states the type of partnership it is, how much capital each has contributed, and how profits and losses will be shared. Doctors, dentists and solicitors are typical examples of professionals who may go into partnership together. They can benefit from shared expertise, but like the sole trader, have unlimited liability.

The main disadvantage of a partnership comes from shared responsibility. Disputes can arise over decisions that have to be made, or about the effort one partner is putting into the firm compared with another. The distribution of profits can cause problems and the deed of partnership sets out who should get what, but if one partner feels another is not doing enough, there can be dissatisfaction. A partnership, like a sole trader, has unlimited liability which is also another disadvantage. The main advantage of a partnership over a sole trader is shared responsibility. This allows for specialisation, where one partner's strengths can complement another's. For example, if a hairdresser were in partnership with someone with a business background one could concentrate on providing the salon service, and the other on handling the finances. More people are also contributing capital, which allows for more flexibility in running the business. There is less pressure of time on individual partners and there is always someone to consult over business decisions.

Limited liability

A limited liability company is a type of investment in which a partner or investor cannot lose more than the amount invested, therefore the investor or partner is not personally responsible for the debts and responsibility of the company in an incident that these are not fulfilled.

The primary disadvantage of setting up a limited liability company is the work involved and the expense of running the business. There are also other minor disadvantages like after-formation record keeping requirements. The primary advantage of a limited liability company is limiting the liability of its members. Unless they personally guarantee them, the members are not liable for the debts and obligations of the limited liability company. In a partnership or sole proprietorship, creditors may seize personal assets of the participants to pay debts of the business.

Unlimited liability

This is where the owners of a business are personally liable for all the debts the business incurs. So, if a business is unable to pay its debts because it has insufficient

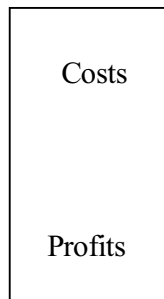
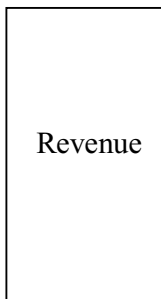
funds available, then these debts must be paid in full by the owners, even if they have to sell the business and their personal possessions such as their house or car to do this. Obviously this is a huge disadvantage but if the owner is willing to take this route then he is equally liable to earn big profits and overcome this risk.



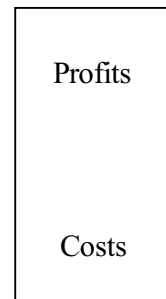
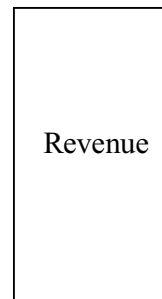
Business Aims and Objectives

Firstly, my main objective is to survive for the opening month. Doing this, I have to make sure I break even with profits and costs. This will also help attract customers as they will see the prices are low and the quality of food is good. These customers should hopefully become regulars and once so, I will raise the prices to profit from them.

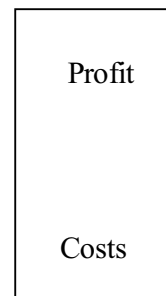
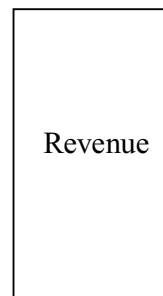
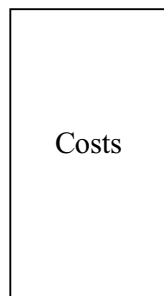
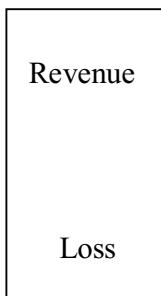
I will plan questionnaires and analyse them to find whether having a restaurant would be of any use to the local public. I will also distribute the questionnaires equally to male and females and of different age groups which would allow me to find out which age groups I should be targeting the restaurant towards more. Also, I will meet up with a few workers and senior staff at Kebabish original in Wembley to have an idea of how busy the shop would be and the customer needs.



BREAK EVEN



WHAT I WANT!



WHAT I DO NOT WANT

www.streetmap.co.uk



Location of Kashmiri Spices

The reason I have chose this location is because the residents around the area, demand a Indian/Pakistani restaurant. There is a few fish and chip shops and a Chinese restaurant located but there is huge demand for an Indian restaurant. The shop I intent to buy to set up my own business is originally a café which also has room for parking. There is space for 15 cars which makes the restaurant an almost perfect location.

Restaurant questionnaire

<i>Is the food served hot and fresh</i>	Yes / No
<i>The menu has a good variety of items</i>	Yes / No
<i>The quality of food is</i>	Bad / Average / Good
<i>The food is tasty and well flavoured</i>	Yes / No
<i>The food quality is competitive</i>	Yes / No
<i>Waiters are patient and polite</i>	Yes / No
<i>The service is</i>	Bad / Average/ Good
<i>I was served promptly</i>	Yes / No
<i>The atmosphere was</i>	Bad/Average /Good
<i>My meal was a good value for money</i>	Yes / No
<i>The price was competitive</i>	Yes / No
<i>Overall, my meal in this restaurant was</i>	Bad /Average/Good

Thank you for completing this questionnaire. Please drop it in the box as you leave.

Social, moral and ethical considerations

Opening a restaurant will not make a big difference to traffic congestion, as it is relatively small eating place and does not have the same amount of demand compared to a high street shop. If it plans out to be more successful than I intend it to be then it might make a difference. What I have done to help solve this issue is that I have also provided the restaurant with a car park so customers will not have to worry about parking and they will stay off the yellow lined roads.

The restaurant will not cause noise or air pollution as it is not a factory. It will however have an effect on creating rubbish. What I will do to help is provide more rubbish bins in the area and hand out leaflets about recycling.