

Investigating Business Part 2

The different business ownerships are:

1. Sole trade is a business run by individuals to make profit. An advantage of a sole trader is all decisions can be made by yourself, which gives you more control of what happens in the business. Another advantage is, it is simple and cheap to start up and you won't need to borrow large sums of money in order to keep your business successful. A disadvantage is that they often work long hours and don't get many holidays and when they do, they are limited. Another disadvantage is it may be hard for the sole trader to raise a capital to start the business or even for the growth of the business.
2. Partnership is a business run by more than one person; more one owner usually contributes to the capital to establish the business. An advantage of being in a partnership business is that it may be easier not having the sole responsibility for major decisions, there can be more than one person to help and contribute if needed. Another advantage is that it is less stressful than being a sole trader; partners can cover for illness holidays etc. A disadvantage is partners may have a disagreement and there could be a possible break up of the business. Another disadvantage is unlimited liability, meaning that if their business suffers from bankruptcy they can be sued directly, and personal belongings can be taken away from them.
3. A Franchise is a business where the owner grants rights for individuals to use their trading name or idea; franchises can set up as a sole trader, partnership or private limited company. An advantage is that it is less risky as business successful elsewhere. Another advantage is many franchisers have established name so less advertising needed. A disadvantage is that the owner is not really the boss of their own business because he/she is under the control of there franchisor. It can also be an expensive investment at the start up as well as sharing profits.
4. Public Sectors are organizations/businesses owned by the government that are not expected to make profit. Their objective is to provide a high quality services across the UK.