**Why Businesses Exist**

 Q1. read the text and answer the question

Fred Smith is opening a small sandwich shop in Ashton. In the first year he aims to break even. For the years after that Fred has decided on a number of objectives, some financial and others non-financial.

 Suggest TWO possible financial objectives and TWO

|  |  |
| --- | --- |
| **Financial** | **Non-Financial** |
| 1. | 1. |
| 2. | 2. |

 possible non-financial objectives for Fred

Q2. Complete the sentences below, using the words or phrases from the box to fill in the spaces

A) Most businesses will only pursue……….objectives if they will also…………..in the long run.

B) ……..organisations aim to make enough money to…….Any surplus is…………..

Cover their costs non-financial not-for-profit financial

Increase profits paid out to shareholders private sector

Put back into the business help other people

Q3. How are social enterprises different from most businesses?

Q4 Which TWO of the following would be the most likely reasons why someone would want to start their own business?

1. So they can pay less income tax.
2. The independence of being their own boss.
3. To reduce the number of hours they have to work.
4. They have a great idea for a new product or service.
5. To prove to family and friends that they’ve got the drive to succeed.