

Year 9 Entrepreneurial Skills Revision List – Assessment 3

Year 9 Entrepreneurial Skills Assessment will be 1 hour long based on the following areas. Detailed revision of the following areas will be necessary to succeed in these areas. Good luck!

Make sure you have the correct equipment with you –

- Pens
- Ruler
- Rubber
- Highlighter



Private Limited Company:

- Definition of Private Limited Company
 - **A company that cannot sell its shares on the stock exchange. Its shares are owned by a small group of people, usually family and friends. This is why it is called a private limited company, because shares are not sold to the general public.**
- Identify 2 benefits of a Private Limited Company
- Identify 2 drawbacks of a Private Limited Company

Public Limited Company:

- Definition of Public Limited Company
 - **A company that can sell its shares on the stock exchange. Its shares are owned by members of the general public. A PLC is the largest type of private sector organisation.**

Evaluate the benefits and drawbacks of operating as a “Private Limited Company”:

- Definition of Private Limited Company
 - **A company that cannot sell its shares on the stock exchange. Its shares are owned by a small group of people, usually family and friends. This is why it is called a private limited company, because shares are not sold to the general public.**

- Identify and explain 2 benefits of operating as a Private Limited Company (refer to your notes in your exercise book and/or google classroom)
 - Limited Liability – think about why this is a benefit
 - Access to more capital – think about why this is a benefit
 - Economies of scale - think about why this is a benefit

- Identify and explain 2 drawbacks of operating as a Private Limited Company (refer to your notes in your exercise book and/or google classroom)
 - Lengthy legal procedures to begin trading – think about why this is a drawback
 - Financial accounts must be published by law – think about why this is a drawback
 - Profits are shared in the form of dividends – think about why this is a drawback

- Conclusion – In my opinion operating as a Private Limited Company ...

For an evaluation question you will have to:

- Define Ltd
- Identify and Explain 2 benefits of operating as a Ltd
- Identify and Explain 2 drawbacks of operating as a Ltd
- Conclusion