

Starting a Small Business



Name: _____

Date: _____

Instructions: No answer bank: show your working for the money maths. Number the steps in order, answer the case study questions, explain the key terms, then write full-sentence answers and plan the extended answer.

1. Money maths (show your working)

Question	Working and answer
Start-up costs £12 + £8 + £15 + £5 =	
Contribution per jar: price €4, cost €1.50	
Break-even jars: €35 costs ÷ €2.50	
Break-even cups: £24 costs, 80p contribution per cup	
Sell 50 cupcakes at £1.20, cost 45p each. Profit before start-up costs	

Did you know?

- Break-even is where total sales equal total costs.
- Market research can be as simple as asking ten people.
- Food sellers must follow hygiene rules.
- In the UK, a sole trader registers with the tax office once earnings pass a set level.

Background

A business sells goods (things you can touch, like jam) or services (things you do, like dog walking) to customers. A person who starts a business is an entrepreneur. Good businesses solve a problem or meet a need: hungry shoppers, busy parents, bored pets!

2. Steps in order

Number the steps 1 to 6 (1 = first).

1	Research: Check customers and competitors
2	Launch: Open and serve customers
3	Plan: Write a simple business plan
4	Review: Count the money and improve
5	Idea: Find a problem to solve
6	Prepare: Buy supplies and set up

4. Key terms

Key term	What does it mean? Give an example.
Entrepreneur	
Goods	
Services	
Customer	
Competitor	

3. Case study

Tayo and two friends want to sell homemade dog biscuits. Neighbours have many dogs. A pet shop nearby sells biscuits at £3 a bag. Ingredients cost 90p a bag. They have £20 of start-up money.

Case study: Paws and Crumbs

1. What could be their USP?

2. At £2.50 a bag, how many bags to cover £20?

3. What rules or risks should they think about?

5. Think it through

1. Explain two reasons small businesses fail.

2. Explain one benefit of a business plan.

6. Longer answers (full sentences)

1. Explain break-even with numbers.

2. How can competitors help a new business?

3. What makes good marketing for a small stall?

4. Explain in your own words: What are start-up costs? Give an example.

7. Extended answer

Extended answer: 'You need lots of money to start a business.' How far do you agree?

Plan: introduction · point for (example) · point against (example) · conclusion with your judgement.
