

## **GRADE 11: BUSINESS VENTURES WORKBOOK ACTIVITIES**

### **1. BENEFITS OF A COMPANY OVER OTHER FORMS OF OWNERSHIP    DATE: \_\_\_\_\_**

1.1. Name FOUR aspects that must be included in the memorandum of incorporation.    (4)

1.2. Define the following concepts:

1.2.1. Co-operative    (2)

1.2.2. Initial public offerings    (2)

1.3. Read the scenario below and answer the questions that follow.

Jabu, Judith and Jonny are law graduates. They want to establish a law business where the members are jointly and severally liable for the debts of the business. There are no legal requirements for starting such a business except the drawing up of an agreement.

1.3.1. Name the form of ownership that is applicable in the scenario above.    (2)

1.3.2. Quote TWO characteristics of the form of ownership named in QUESTION 1.3.1 from the scenario above.    (2)

1.3.3. Describe the advantages of the form of ownership named in QUESTION 1.3.1    (6)

1.4. Tabulate the differences between a public company and a private company.    (8)

1.5. Identify the form of ownership represented by EACH statement below:

1.5.1. Zuki Bakeries is personally responsible for all debts and losses of her business.    (2)

1.5.2. At Jakes CC members are also managers of the business.    (2)

1.6. Discuss the benefits of establishing a company over other forms of ownership.    (6)

1.7. Discuss the advantages of a personal liability company.    (4)

1.8. List FOUR aspects that must be included in the prospectus.    (4)

**2. AVENUES OF ACQUIRING A BUSINESS**

**DATE:** \_\_\_\_\_

- 2.1. Explain the reasons why an entrepreneur may decide to purchase an existing business. (8)
- 2.2. Discuss the disadvantages of outsourcing. (6)
- 2.3. Outline FOUR contractual implications of a franchise. (8)
- 2.4. Discuss the advantages of leasing for the lessor. (8)
- 2.5. Read the scenario below and answer the questions that follow.

**SUPER CHICKEN (SC)**

Super Chicken (SC) is available at different outlets in the country. Mr Naidoo, the owner of SC, allows new entrepreneurs to start their own businesses using his business name and trade mark at a fee.

- 2.5.1. Identify the type of business avenue described in the scenario above. Motivate your answer by quoting from the scenario. (3)
- 2.5.2. Name TWO other types of business avenues that SC can use to start a business. (2)
- 2.5.3. Explain the advantages of type of business avenue identified in QUESTION 2.5.2 (4)