**Types of Ownership: Sole Traders, Partnerships and Franchises**

**Name:**

Lucy works in a local cake Factory in New York making cakes and other tasty treats. Recently Lucy has been considering creating her own bakery. She would own this Bakery herself baking cakes and selling them to the public and so being a Sole Trader. (8)

Do you think it is a good idea for Lucy to become a Sole Trader? Give both sides of the argument.

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1 Year into creating her Business, Lucy finds herself struggling with Finance. She thinks that if she introduces PARTNERS into her business it will be a great way of raising capital so she can buy a new oven and pay off some of her debts.

Many people have told Lucy that forming a PARTNERSHIP is a bad idea. Explain why some people may think this. (Apply it to Lucy’s Business) (4)

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John is considering opening up a Burger shop in Barwa City. In this Burger shop he Plans to sell Burgers, Fries, Wraps, Soft Drinks, and Ice cream. His friend Dave has mentioned that he could open up as the FRANCHISE, ‘MC DONALD’S.’ Do you think this is a good idea for John? (Both sides of the argument) (8)

You must also include if John would then be a *Franchisee* or a *Franchisor.*

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