

Move On

to World Class Skills



Quiz: Running your own business

Maths

- 1 When it came to the reasons why small business owners formed their own company 44.2% said it was because they were sick of their existing job and thought they could do better themselves, 37% said that they identified a niche idea or gap in an existing market, 7.6% said it was due to redundancy and 5.4% said they had no option as they could not find a job.
Source Kashflow survey 2007

What percentage of small business owners had other reasons for starting their own business?

- a) 15.8%
- b) 5.8%
- c) 7%
- d) 5.4%

Answer:

- 2 You have chosen a solicitor to advise you on your company structure and business premises lease. They charge £46 per hour including VAT, but have a special offer of a £500 flat fee for new businesses. It is estimated that the work will take 11 hours.

Which of the following statements are true?

- a) Both offers will cost the same amount of money.
- b) The hourly fee is better value for money.
- c) The flat fee is better value for money.
- d) None of the above.

Answer:

- 3 The Carbon Trust, a government-backed organisation that promotes the efficient use of energy, estimates that many businesses could cut energy costs by 20 per cent and see a 5 per cent increase in sales. Before implementing energy efficient policies, a business had average energy costs of £125,000 per year.

What could the business expect to pay after becoming energy efficient?

- a) £112,500
- b) £100,000
- c) £105,000
- d) £87,500

Answer:



4 **Mileage Allowance Payments table**

Type of vehicle	Rate
Car or van	40p per mile for the first 10,000 miles; 25p per mile thereafter
Motorcycle	24p per mile
Cycle	20p per mile

You estimate that you will drive your car 85,000 miles during your first year of business. Using the information in the above table, which formula would you use to calculate mileage allowance in pounds?

- a) $40 \times 85,000$
- b) $0.65 \times 85,000$
- c) $(40 \times 10,000) + (25 \times 75,000)$
- d) $(0.4 \times 10,000) + (0.25 \times 75,000)$

Answer:

English

5 **Cashflow management: the basics**

Cashflow is the measure of your ability to pay your bills on a regular basis. It depends on the timing and amounts of money flowing into and out of the business each week and month. Good cashflow means that the pattern of income and spending in a business allows it to have cash available to pay bills on time.

The text above is most likely to be from:

- a) a dictionary
- b) a report
- c) a guide to setting up a business
- d) an advertisement for a bank

Answer:

6 You may want to start a business that isn't just for profit but also has a social purpose. For example, you might want to provide a service for a disadvantaged group in your local community, or help improve the local environment. Although any business can have social objectives, you might want to consider setting up a specific type of business known as a social enterprise. Although a social enterprise is run as a business, and often operates under the same financial and profit-driven pressures, it also aims to provide a clear social benefit. The profits are mostly reinvested, or used to support its social aims, rather than being paid to the owners of the business.

The most appropriate title for the text would be:

- a) Helping the disadvantaged
- b) Making a profit
- c) A business with social aims
- d) Starting a business

Answer:

7 **Identify hazards in your workplace**

You should bear in mind that all hazards need to be considered in risk assessments. A hazard is anything that could cause harm. The risk is the chance, high or low, that someone could be harmed by that hazard together with an indication of how serious the harm could be. The law doesn't require you to eliminate all risk, but you are required to protect people as far as is reasonably practicable.

The first stage of a risk assessment is to look for hazards. A hazard can be something easily seen, such as a trailing cable, a worn carpet or exposed wiring. Or it can be something less obvious - a slippery surface, for example. It can be something general, such as poor lighting. Or it can be something specific to your business, such as the particular hazardous substances you use.

According to the article:

- a) All risks are easy to spot.
- b) You should start by looking for potential risks.
- c) You need to get rid of all potential risks.
- d) A slippery surface is not considered a hazard.

Answer:

8

line 1	Keeping your business ideas to yourself
line 2	Failing to share your business ideas with people you trust means that you
line 3	will miss out on objective feedback.
line 4	Brainstorm with other colleagues to give you valuable perspective. Note down
line 5	any good ideas you get from brainstorming and use them when developing
line 6	your business.
line 7	If you want to keep your ideas confidential, consider using a non-disclosure
line 8	agreement, also known as a confidentiality agreement. This will allow you to
line 9	share your ideas with colleagues without the risk of them divulging the
line 10	information.

The best word to replace 'objective' (line 3) is:

- a) impartial
- b) biased
- c) expert
- d) personal

Answer:

9 There is a spelling mistake on line:

- a) 6
- b) 4
- c) 2
- d) 8

Answer:

(All text sourced from www.businesslink.gov.uk)