

1 (a) Explain **four** reasons why new businesses are at a greater risk of failing than existing businesses.

Reason 1:
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Reason 2:
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Reason 3:
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Reason 4:
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[8]

(b) Consider the following **two** types of business organisation that Charly could choose for her new business. Which type of business organisation should Charly choose? Justify your answer.

- Sole trader
- Private limited company

Sole trader:
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Private limited company:
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Recommendation:
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[12]