

1 (a) Explain **two** advantages and **two** disadvantages of a business being a private limited company.

Advantage 1:
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Advantage 2:
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Disadvantage 1:
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Disadvantage 2:
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(b) Consider the following **three** economies of scale for LB. Which economy of scale is likely to have benefited LB the most? Justify your answer.

- Financial
- Purchasing
- Managerial

Financial:
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Purchasing:
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Managerial:
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Conclusion:
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[12]