**ELEMENT 3: ACTIVITY 1: LO4**

**Potential sources of finance for a business proposition**

**PART ONE – Business start-up needs**

Identify what is needed to start up the following business propositions using the headings provided.

|  |  |  |
| --- | --- | --- |
| **A market stall holder selling fresh fruit and vegetables** | | |
| **Premises** | **Equipment and resources** | **Vehicles** |
|  |  |  |
| **Materials and stock** | **Working capital** | **Marketing and websites** |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| **A domestic cleaning business providing a cleaning service to individuals in their own homes** | | |
| **Premises** | **Equipment and resources** | **Vehicles** |
|  |  |  |
| **Materials and stock** | **Working capital** | **Marketing and websites** |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| **A business providing ‘nursery’ childcare facilities for children under the age of five** | | |
| **Premises** | **Equipment and resources** | **Vehicles** |
|  |  |  |
| **Materials and stock** | **Working capital** | **Marketing and websites** |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| **An IT support and computer repair business** | | |
| **Premises** | **Equipment and resources** | **Vehicles** |
|  |  |  |
| **Materials and stock** | **Working capital** | **Marketing and websites** |
|  |  |  |

**PART TWO – Business start-up costs**

Choose **one** business from Part One and estimate the start-up costs using existing knowledge, local and internet research.

|  |  |  |
| --- | --- | --- |
| **Business:** | | |
| **Start-up costs** | **Details** | **Costs** |
| Premises |  |  |
| Equipment and resources |  |  |
| Vehicles |  |  |
| Materials and stock |  |  |
| Working capital |  |  |
| Marketing and websites |  |  |
| Other |  |  |
| **Total business start-up costs** | |  |

**PART THREE – Potential sources of finance**

Assume that your potential business owner in Part Two has a maximum of $2000 in savings to put into the business and wants to open a business bank account with $100.

Calculate the business finance that will be needed to start the business.

|  |  |
| --- | --- |
| **Business proposition:** | |
| Business Start up Cost |  |
| Opening bank balance |  |
| Total |  |
| Personal savings available |  |
| Surplus/Deficit |  |

Suggest ways in which any required finance may be obtained. You may suggest different sources of finance to cover the various elements of the start-up costs.

|  |
| --- |
| **Potential sources of finance** |