

Name:

Date:

Class:

Lesson 3.1

Practice Your Understanding

1. You have decided to go into business selling custom streetwear clothing. Considering the start-up requirements, your personal skills or resources, and your local community, determine the start-up strategy you would select. Explain your answer. (3.1-1)

Answer:

2. If you were starting a business selling beauty supply products, outline the pros and cons of launching a new retail business versus an online business. Determine which option you would choose. Explain your answer. (3.1-2)

Answer:

3. Miles entered a franchise agreement that requires a fixed quarterly royalty fee payment of 7 percent on gross sales. If his monthly gross sales for the quarter of business are \$28,000, \$33,000, and \$35,000, calculate how much Miles owes in royalty fees. (3.1-3)

Answer:

4. Dani is purchasing a business that has been serving her community successfully for the past ten years. However, one partner is planning to remain after the sale. Prepare a plan that will ensure a positive working relationship between Dani and the remaining partner. (3.1-4)

Answer:

5. You are preparing to take over your family's catering business now that your parents are ready to retire. However, the business will need to be managed by your cousin over the next few months so you can finish school before working for the business fulltime. You are concerned your cousin, who tends to do just enough work to get by and is very opinionated, will expect to continue as a managing partner once you assume full control. Outline the key points you would address in a conversation with your cousin to avoid family disagreements, conflicting interests, and performance issues moving forward. (3.1-5)

Answer: