

2. Mike and Mia, who have degrees in photography, have decided to set up their own photography business as a private limited company. One of their first tasks is to write a business plan, even though it is sometimes seen as an unnecessary chore and as a document required by others, rather than something that is essential for the business.

(a) Identify **one** advantage and **one** disadvantage to Mike and Mia of setting up as a private limited company. [2]

Advantage .....

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Disdvantage .....

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(b) Explain the benefits to Mike and Mia of having a business plan. [6]

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