

1

Who is considered to be a sole trader?

- (A) any individual in business on their own account

- (B) the sole shareholder in a company

- (C) the person tasked with managing the company

- (D) anyone outside a partnership

Answer:

(A) any individual in business on their own account

Feedback:

See paragraph 2.3.1

2

Which of the following is not a type of European business organisation?

- (A) European Private Limited Liability Company (SPE)

- (B) European Public Limited Liability Company (SE)

- (C) European Economic Interest Group (EEIG)

- (D) European Limited Partnership (ELP)

Answer:

(D) European Limited Partnership (ELP)

Feedback:

See paragraph 2.7

3

Community interest companies are subject to

- (A) a community interest test

- (B) an affordability test

- (C) an environmental sustainability test

- (D) an incorporation test

Answer:

(A) a community interest test

Feedback:

See paragraph 2.6.3

4

Which of the following is not a characteristic of an unincorporated association?

- (A) it is a legal entity

- (B) it has identifiable membership

- (C) it has a constitution

Answer:

(A) it is a legal entity

Feedback:

See paragraph 2.6.1

- (D it has an existence distinct from
) it members

5

Which of the following is not a characteristic of registered companies?

(A) separate legal personality

(B) limited liability

(C) transferable shares

(D recourse to shareholder assets
) on winding up

Answer:

(D recourse to shareholder assets on winding up
)

Feedback:

See paragraph 2.4

6

Which of the following types of business can be listed on the stock market?

(A) community interest company

(B) public limited company

(C) private company limited by shares

(D limited partnership
)

Answer:

(D limited partnership
)

Feedback:

See paragraph 2.4

7

A company whose members undertake to contribute a specified amount on a winding up is a

(A) company limited by shares

(B) company limited by guarantee

(C) unincorporated company

(D public limited company
)

Answer:

(B company limited by guarantee
)

Feedback:

See paragraph 2.4.1

8

George and John run a shop together. They do not wish a formal separation between their private and business interests. The most suitable legal vehicle for them would be

(A) a private limited company

(B) a public limited company

Answer:

(D a partnership
)

Feedback:

See paragraph 2.3

(C) a limited partnership

(D) a partnership

9

The effect of a partnership is that

(A) all partners share in profits, but not debts

(B) profits and debts are borne by the partnership, not individuals

Answer:

(C all partners are equally liable for the debts of the) business

(C) all partners are equally liable for the debts of the business

Feedback:

See paragraph 2.3.2

(D) all liabilities are considered the same as those of a company

10

What is the proposal for a European Foundation (FE) about?

(A) It is to be an organisation focused on promoting the public benefit

Answer:

(A It is to be an organisation focused on promoting the) public benefit

(B) it is to be an umbrella organisation for charities

Feedback:

See paragraph 2.7.2

(C) it is a European charity

(D) it is a pro-European think-tank