

EGP

Start-up costs

1

Which **two** of the following are start-up costs for a mobile car valeting business?
Put a cross in the box next to the correct ones.

(2 marks)

- A Petrol for the van
- B A pressure washer
- C Car wash shampoo
- D Overalls for the staff
- E Paper for customer receipts

Make sure you are clear about the number of items you must identify **and** the key term you are being asked about.

Guided

2 Tom is setting up a business as a boarding kennels. He will look after dogs while the owners are away on holiday. He has found a barn that he can rent. It will need fitting out with secure kennels and runs for the dogs.

For questions like this, think carefully about the business **context** before you answer. What type of money would be spent to start this type of business?

Identify **three** start-up costs he may have.

(3 marks)

- 1 Feeding bowls/dog leads and other dog care items
- 2 Fitting kennels & runs
- Insurance
- 3 Advertising
- Deposit on rent.



3 Your friend Claire is thinking of setting up a business selling sandwiches and hot pies from a small retail outlet near a college.

Using **two** examples, explain why she has to have enough money for start-up costs. (4 marks)

Need to fit out with counter, oven, electronic till etc so she can operate her business. She will also need money to advertise her business so customers are aware it has opened & what she does.