

YOU MUST HAND IN YOUR WORK BY

TO

**HOW LONG**

should this assignment take?

Every person works at his / her own pace.

As a guide, this should take you 2 hours to read and research and another 2 hours to write your answers and discuss them with your tutor.

**HOW**

will I be assessed?

Your tutor will assess your work. He / she will give you feedback on how you have done. If your work needs further work to be passed, then you will be given the chance to do further work to bring it "up to scratch". For more details, please refer to your MOLP's own guidance.

**WHAT**

do I do now?

Read the **TASKS** below.Then read the **NOTES AND GUIDANCE** section.Carry out the **TASKS**.

## TASKS

- 1 Write down the three main ways of trading in business, with a simple explanation..

Type of business	Simple explanation
1)	
2)	
3)	

- 2 Fill in the gaps, using the words below.

jointly and severally liable

tax

limited liability

accounts

national insurance

As a sole trader, you will have to keep

and pay your own

and

In a partnership, each member would be

for any debts.

The main legal benefit of a limited company is

- 3 Answer the following questions.

I can search for company information by going to [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) on the internet.

True / False

You can limit your personal liability by forming a limited company.

True / False

Self employed people pay two types of National Insurance contributions.

True / False

- 4 Answer these questions about tax:

What is income tax payable on?

Search the inland revenue website and find the section on Class 4 National Insurance contributions.

Write the website address here:

If you are self employed, how much per week are Class 2 National Insurance contributions?

Can you apply for exemption if you earn under a certain amount?

£

5 Answer these questions about the difference between PAYE and being self employed:

What does PAYE stand for?

If you are self employed, when do you pay your tax?

What tax code are self employed people under?

6 Answer these questions about deductions:

Give three examples of a deductible expense

What kind of information should you keep in your financial records?

What are allowances?