

139 db wk6 quail

Business



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Essay, Business Q1 I would buy a restaurant, especially from old people who are retiring from the business in a town or city. Restaurants have a rising trend of profitability for the last three years. In addition, old folks need maintenance money after retirement.

Q2

Before buying and starting the business, I have to be sure that my talents are in meal preparations and customer handling. The business might be lucrative but if you have no interest, it is probably going to fail. Another thing to consider is site of the business that will affect daily customer flow (Longenecker et al., 124). Well-situated business must be accessible to clients at all time. Daily time to spend in the premises to that at home with family also affect the business choice. Due to my interest in food industry, dedicating more than half of the day in the business should not be a problem. Capital invested in restaurant business is medium meaning lower risk. In addition, pay attention to laws governing this type of business and competitors around and ways to deal with any challenge.

Q3

Check the financial statement of the business of interest to ascertain if there are any loans under the name of the business. Further information from an auditing company on the financial state of the business is important in determining profitability. Tax return for five years will be helpful in determining profitability. Cheap source of ingredients is another factor to consider.

Q4

First, determine the value of the infrastructure and any added material used in the business. Then determine the value contributed by the name and

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values contributed by the employees. From this point, determine net value of the business based on expected future profit. To determine profitability then consider tax return for the past three to five years and the profit margins that affect its growth potential. Consideration for competition from other similar businesses around is another factor that affects growth potential.

Work cited

Justin Longenecker, J. Petty, Leslie Palich, Frank Hoy. Small Business Management: Launching and Growing Entrepreneurial Ventures. Mason, OH: South-Western Cengage Learning, 2012. Print.