**Topic 4.3 Start Up Legal and Tax Issues: Activity**



1. **What does it mean by the term ‘Trademark’?**

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1. **Write down 5 factors a business must take into account when creating a business name.**

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| **Number:** | **Reason:** |
| **1** |  |
| **2** |  |
| **3** |  |
| **4** |  |
| **5** |  |

1. **Where can a person identify whether a business name has already been taken?**

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1. **What does it mean by the term ‘Record’?**

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1. **Write down 5 records that a professional football club such as Watford FC need to keep.**

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| **Number:** | **Reason:** |
| **1** |  |
| **2** |  |
| **3** |  |
| **4** |  |
| **5** |  |

1. **Read the following information:**

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| **Key Term:** | **Definition:** |
| HM Revenue and Customs (HMR&C) | The government authorities in the UK responsible for collecting tax. |
| VAT (Value Added Tax) | A tax on the value of sales: It is paid by businesses to government. |

Value Added Tax is a tax on the value of sales of a business. A small business only has to pay VAT if its sales of more than £82,000 a year. If you do not make more than this total then you do not have to register for VAT. The standard VAT rate (at November 2012) is 20%. If a business made sales of £100,000 then they would have to pay £20,000 in VAT.

1. **Calculate the VAT on the following businesses:**

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| **Business** | **Sales** | **VAT to be Paid:** |
| **1** | £50,000 |  |
| **2** | £150,000 |  |
| **3** | £200,000 |  |
| **4** | £300,000 |  |
| **5** | 1,800,000 |  |

1. **Explain why it is important that the HMR&C collect tax:**

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1. **There are other forms of tax that the HMR&C collect. Can you name any of these taxes that a small business might need to pay?**

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1. **What would happen if the HMR&C stopped collecting tax from small businesses?**

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| When would a business pay: | |
| VAT | NIC |
| Income Tax | Corporation Tax |