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**Assignment – Paper**

***QUE1.a.write about a short history of small business?***

***ANSWER***

***History of small business***

Small business concept is quite old which dates back centuries. Centuries ago almost everyone was involved in some sort of business. Farmers used to sell grain to merchants which is a type of small business. Simply put in Roman times, Middle Age and Medieval period the small business was a major way of earning a livelihood.

***PART B***

***ANSWER***

***Definition of SMEs according to US***

In the United States, the Small Business Administration (SBA) has classified small business companies by their corporate arrangement, strength of the workers, revenue and market.

Example, a SME is an organization with no more than 500 workers. In contrast wholesale trades it is typically 100 employees or less. The US classifies companies with less than 10 staff uniquely as private offices

***Definition of SMEs according to France***

In France it is described by having less than 250 employees with a turnover up to EURO 50 million and not more than EURO 43 million in the balance sheet. Each group covers micro enterprises. Micro-businesses are those businesses which hire 10 people and have either turnover or overall balance sheets not exceeding EUR 2 million.

***Definition of SMEs according to UK***

The UK describes a SME for accounting purposes under Sections 382 and 465 of the Businesses Act 2006. That indicates a small business with a revenue of up to £6.5 million, with balance sheet not more than 3.26 million and can’t have more than 50 workers. A medium-sized business has sales of up to £25.9 million, a net balance sheet not exceeding £12.9 million, and not reaching 250 people.

***ANSWER 2***

***Characteristic of small and Medium Enterprise***

***Lower Revenue and Profitability:***

In general, small company turnover is smaller than larger firms. Based on the type of business, small enterprises are the ones that generate fewer revenues than a certain amount. The estimated budget for the classification of small businesses is set for services corporations at $21.5 million a year.

***Small Team of Employee:***

Such businesses have fewer workers numbers than large-scale corporations. or limited teams. Depending of the market size, a bigger small company will always get away with hiring fewer than 100 employees.

***Small Market Area:***

Small businesses are far smaller than corporations or larger private enterprises. Smaller companies represent local neighborhoods, for example a grocery store in a small area. Small-scale concept prohibits such businesses from servicing markets far greater than a local market, since expanding further than that will contribute to the complexity and description of a small company.

***Limited area of Fewer Location:***

In many nations or regions, such businesses are unlikely to have distribution outlets. Most small-scale businesses operate under one workplace, store or utility branch. You are also willing to run a small business without any services straight from your house.

***Part B ANSWER***

***Difference between Large and Small Business***

***Difference according to finance:***

Financing explains how a corporation collects capital for future ventures and activities. New private businesses typically obtain financing from founders' personal investments, private business banks' loans and friends and family members' donations or loans. Familiar small businesses and medium-sized businesses may draw funding from foreign investors and investment from venture capital enterprises. More recently, several businesses have started utilizing online crowdfunding programs on platforms such as Kick starter to begin a new initiative or a whole company. Through issuing securities to the public and through issuing corporate bonds, big companies may collect capital.

***Difference in Market Niche:***

A further distinction is that small businesses mostly focus on specific industries, whereas bigger corporations prefer to provide a broader variety of customers for more goods and services. A small business of only a few workers may make ample profits to succeed by selling a single product or service on a particular market. As companies expand, they continue to break into different markets and offer new goods and services to boost revenue and recruit more workers.