**Similarities & Differences in managing a household and in managing a business**

|  |  |
| --- | --- |
| **Similarities:**  | **Differences:**  |
|  **Taxation/Insurance/Finance** – both must pay taxes, assess risks and insure people and property, and raise suitable sources of finance | **Taxation –** different taxes apply to households (PAYE, Capital acquisitions Tax) and to businesses ( Commercial rates and Corporation Tax) |
|  **Management Activities** – both must plan, organise and control to achieve goals and objectives.  | **Records** – both must keep financial records, and keep documents such as tax forms, insurance policies safe |
| **Forms** – both must complete forms such as proposal and claim forms, loan applications, tax forms etc | **Finance –** businesses have a wider range of sources of finance e.g. share capital, |
| **Motivation** – motivation in business is mainly profit whereas in a household the main motivating factor is love | **Insurance** – businesses need to cover a wider range of risks than households e.g. Public Liability, Employers Liability, Fidelity Guarantee etc |
|  |  |