



## Practice – Part 1

**Instructions:** Answer each of the following practice questions on a separate piece of paper. Step by step solutions are provided under the Solutions tab. You will learn the material more thoroughly if you complete the questions before checking the answers under the Solutions tab in Moodle.

1. Jules is considering opening a hair salon in her home. Although Jules would not be allowed to keep her customers from her current salon, 20 of her clients are also friends who would want Jules to continue cutting their hair. Jules is confident she can find more clients by word of mouth, putting up signs, and advertising using social networking sites.

Her home is located in a city suburb and is accessible by vehicles as well as LRT and bus. When driving around the subdivision, she has not seen other storefront or home-based salons.

Discuss whether Jules has proven her business is feasible with regard to the following factors.

- a. location
- b. market (number of customers)
- c. competition

