

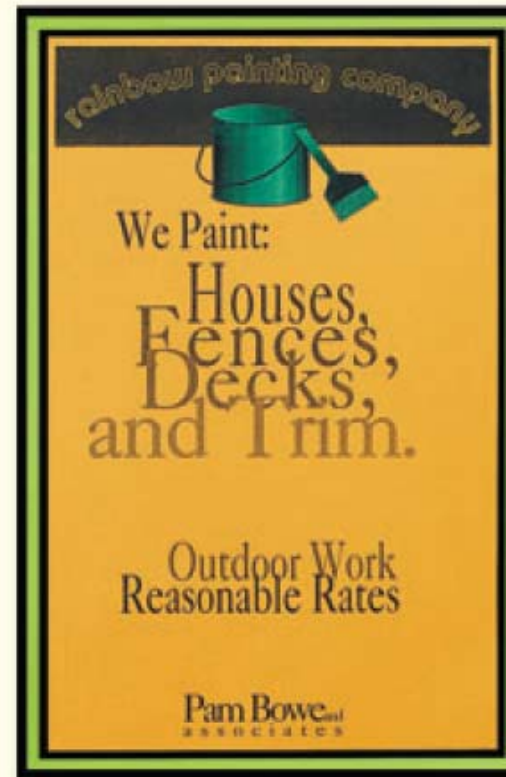
## Figure 8.2 Elements of Business Operation

■ Every small business presents its owner with unique issues and challenges, but they all have some elements in common as well. These common elements include expenses, advertising, record keeping, and risk.



▲ **A. Expenses** Expenses include the supplies you need to do your job. If you start a painting business, for example, your expenses will include brushes, paint, and ladders. As your business grows, you might buy more expensive equipment, like paint sprayers and sanders.

▼ **B. Advertising** The cost of advertising can cut into profits, especially in the startup phase of a business.





### **C. Record Keeping**

Maintaining accurate records of your expenses and receipts is vital, especially when you're doing your taxes.

**D. Risk** Many startups fail. If you work for a boss, your overall risks are usually small. As your own boss, your risks are greater, but so are your potential rewards.



### **Economic Analysis**

**Examining** What expenses other than supplies might a small-business owner have?