

23-S2 - Section A - 1

Q: S\$ 20,000,000

prototype business plan

explain the concept of bp.  
why he require bp.

Solution

① Concept of business plan:

the business plan is a written document that carefully explains every aspect of a new business venture

② Reasons

(1) Internal - Forces the founders of the firm to think through every aspect of their new venture

(2) external - communicates the merits of a new venture to outsiders, such as investors and bankers

(3) Investors rely on the business plan to

make decisions on initial investment

(4) many investors ask for an executive summary, a short overview of the business plan describing the merits of a new venture.