

Types of Organizations. Organizational Structures

Watch the video and choose the best answer to the question.

1. What are the advantages of a sole proprietorship?

- A. Simple establishment and owner control
- B. Shared controls and broader management experience
- C. Tax advantages and easier money raising
- D. Separate legal entity and ownership transfer

2. What is a disadvantage of a sole proprietorship?

- A. Personal liability for business debts
- B. Difficulty in establishing the business
- C. Limited control over the business
- D. Inability to raise money for the business

3. How is a partnership different from a sole proprietorship?

- A. It has shared controls and broader management experience.
- B. It offers tax advantages and easy money raising.
- C. It is a separate legal entity owned by shareholders.
- D. It has personal liability for all business debts.

4. What is a disadvantage of a partnership?

- A. Limited control over the business
- B. Difficulty in establishing the business
- C. Personal liability for all business debts
- D. Inability to raise money for the business

5. What is an advantage of a corporation?

- A. Simple establishment and owner control
- B. Shared controls and broader management experience
- C. Tax advantages and easier money raising
- D. Separate legal entity and ownership transfer

6. What is a disadvantage of a corporation?

- A. Personal liability for business debts
- B. Difficulty in establishing the business
- C. Limited control over the business
- D. Inability to raise money for the business

7. What is one advantage of transferring ownership by selling shares?

- A. It's easier to raise funds for the company.
- B. There's no personal liability for shareholders.
- C. Shareholders only lose the money they invested in the company.
- D. The company doesn't have to pay taxes on profits.

8. Why are most businesses organized as corporations?

- A. They can easily transfer ownership.
- B. They have limited liability.
- C. They don't have to pay taxes on profits.
- D. Shareholders have personal liability.

9. How can you identify if a business is organized as a corporation?

- A. Look for the abbreviation "inc" in the company's name.
- B. Check if the company is listed on the stock exchange.
- C. See if the company has double taxation.
- D. Ask the shareholders about their personal liability.

10. What does LLC stand for?

- A. Limited Liability Corporation
- B. Limited Liability Company
- C. Legal Liability Corporation
- D. Legal Liability Company