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

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