

Section 1: Guided Reading and Review

Sole Proprietorships



A. As You Read

As you read Section 1, supply the missing information in the spaces provided.

Sole Proprietorships

1. Owned and managed by: _____
2. Percentage of U.S. businesses: _____
3. Percentages of U.S. sales generated: _____

List and explain the advantages of sole proprietorships.

4. _____
5. _____
6. _____
7. _____
8. _____

List and explain the disadvantages of sole proprietorships.

9. _____
10. _____
11. _____

B. Reviewing Key Terms

Find the term that does not belong in each set and explain how it does not relate to the other three.

12. (*business license*, certificate of occupancy, *business organization*, registration of business name) _____

13. (*liability*, health codes, *zoning laws*, dangerous chemical codes)

14. (human capital, *fringe benefits*, physical capital, financial resources)



Section 2: Guided Reading and Review

Partnerships

A. As You Read

As you read Section 2, supply the requested information in the spaces provided.

1. Typical examples of a general partnership 1. _____

2. What limited partners do and do not do 2. _____

3. How limited liability partnerships compare with general partnerships 3. _____

4. Items often covered under articles of partnership 4. _____

5. Capital and taxation advantages of partnerships 5. _____

6. Liability disadvantages of partnerships 6. _____

B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank.

7. Only one partner is required to be a general partner in a _____.
8. Money and other valuables make up a person's or firm's _____.
9. Ownership interests and management responsibilities are legislated under the _____.

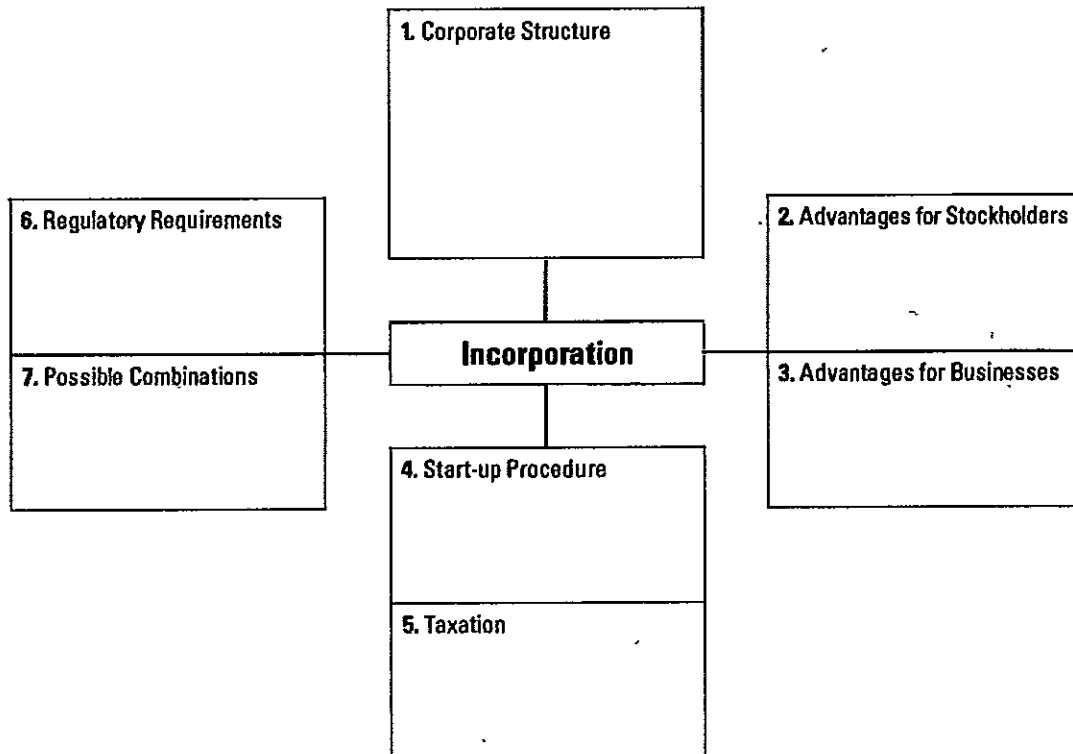
Section 3: Guided Reading and Review

Corporations, Mergers, and Multinationals



A. As You Read

As you read Section 3, supply the missing information in the graphic organizer.



B. Reviewing Key Terms

Read the statements below. In the space provided, write *T* if the statement is true, or *F* if it is false.

- _____ 8. Companies in the same business might form vertical mergers.
- _____ 9. Multinational corporations usually headquarter in several countries.
- _____ 10. If you buy stocks, you own part of a corporation.
- _____ 11. Corporate bonds pay dividends.
- _____ 12. Corporations have a legal identity.
- _____ 13. Dividends represent a portion of corporate profits.
- _____ 14. Privately held corporations are also closely held corporations.
- _____ 15. The federal government issues a company's certificate of incorporation.
- _____ 16. A conglomerate merges more than three companies making unrelated products.
- _____ 17. Publicly held corporations sell stocks to the Securities and Exchange Commission.
- _____ 18. Stockholders must pay a capital gains tax whenever they sell their shares.



Section 4: Guided Reading and Review

Other Organizations

A. As You Read

As you read Section 4, supply the missing information under the headings on the chart.

Business Franchises

Advantages

1.

Disadvantages

2.

Cooperative Organizations

Membership and/or Purpose

3.

Categories

4.

Nonprofit Organizations

5.

6.

B. Reviewing Key Terms

Briefly define or identify each of the following.

7. royalties _____

8. trade association _____

9. cooperative _____
