

Types of Business Organizations

Name: _____ Date: _____

Directions: This lesson has discussed the cost and benefits of three different types of business organizations: sole proprietor, partnership and corporation. Following is a list of key factors that a new owner(s) needs to consider when deciding what type of business organization is best for his or her situation. Your assignment is to explain how two of these factors would be either a cost or benefit in each of the three types of organizations.

1. The factor is the financial resources needed to start and expand a business. Decide whether this factor is a cost or benefit to a sole proprietor, a partnership and a corporation, and give a brief explanation for your answer.

Sole Proprietor:

Partnership:

Corporation:

Three Types of Business Organizations

2. Select one of the other factors listed, determine if it is a cost or benefit in each organization, and briefly explain your answer. Choose one of the below and write your choice on "My choice is _____".
- Their level of expertise starting and managing a business
 - Their willingness to share decisions and profits with others
 - The level of liability they are willing to accept
 - The tax implications related to future income or profits from the business
 - How long they want to stay involved in the business as either managers or investors
 - How concerned they are about what will happen to the business if they decide to leave

My choice is _____

Sole Proprietor:

Partnership:

Corporation: