

**ANSWER KEY for the ENTIRE HOMEWORK ASSIGNMENT****INSTRUCTIONS:**

This single *Homework Assignment* covers what you will learn through the ENTIRE course.

As you complete each section of the course, you should have the ability to answer more of the questions below.

At the end of each section, you will revisit this *Homework Assignment* and complete the answers you understand. After you do, go back to the online course and it will show you which answers have been covered in the videos so far, but WILL NOT give you the answers, yet.

Once you have completed the final section of the online course, you will have learned the materials to be able to answer all of the questions and will be provided with the *Answer Key*.

FILL IN THE BLANK:

1. A **SOLE PROPRIETORSHIP** is a business owned and operated by a single individual.
2. A **PARTNERSHIP** is a business owned and operated by two or more individuals or other businesses.
3. A **CORPORATION** is a business that is legally separate from its owners and has the ability to issue stocks.
4. A **LIMITED LIABILITY COMPANY (LLC)** is a business structure that combines elements of a sole proprietorship / partnership and a corporation.
5. A **CO-OPERATIVE** is a business owned and operated by a group of individuals for the mutual benefit of its members, either individuals, organizations, or businesses.
6. A **S-CORPORATION** is a type of corporation that is limited on the number and citizenship of its owners.
7. The business of a Sole proprietorships is completely controlled by the **OWNER**.
8. Two or more people are personally liable for the debts and obligations of the type of organizational structure known as **PARTNERSHIP**.
9. Corporations offer liability protection to their **OWNERS/STOCKHOLDERS/SHAREHOLDERS**.
10. LLCs offer the liability protection of a corporation, but the tax benefits and flexibility of a **SOLE PROPRIETORSHIP or PARTNERSHIP**.
11. Cooperatives are owned and controlled by the people/businesses who **PURCHASE or PRODUCE** their goods or services.
12. C-Corporations have the disadvantage of being subject to **DOUBLE** taxation.
13. Sole proprietorships may have difficulty **RAISING** capital.
14. To avoid communication and/or decision-making conflicts, partners should execute a detailed **PARTNERSHIP AGREEMENT**.
15. Corporations are subject to more **REPORTING and/or REGULATIONS** than other business structures.



16. Corporations are granted operating status by **STATE** governments.
17. Cooperatives provide an opportunity for their members to **POOL THEIR RESOURCES, etc.**
18. S-corporations ownership cannot include individuals who are **NOT US CITIZENS**.
19. A sole proprietorship is the simplest and least expensive business structure to **SET UP and/or OPERATE**.
20. Partnerships offer the potential for increased **CAPITAL**, as multiple partners can invest in the business.

MATCHING

1. Match the business ownership **TYPE** with the definition:

 D Sole proprietorship

 A S-Corporation

 F Partnership

 E Limited liability company (LLC)

 C C-Corporation

 B Cooperative

- A. A type of corporation that has a limited number of shareholders
 - B. A business owned and operated by a group of individuals for the mutual benefit of its members
 - C. A business that is legally separate from its owners and has the ability to issue stocks
 - D. A business owned and operated by a single individual
 - E. A business structure that combines elements of a partnership and a corporation
 - F. A business owned and operated by two or more individuals or businesses
2. Match the **PROS/ADVANTAGES** with the corresponding business ownership type:

 A Sole proprietorship

 F S-Corporation

 C Partnership

 B Limited liability company (LLC)

 E C-Corporation

 D Cooperative

- A. Offers complete control over the business to the owner
- B. Offers the liability protection of a corporation, but the tax benefits and flexibility of a partnership
- C. Offers pass-through taxation to its multiple owners
- D. Can allow the pooling of providers and/or customer needs while offering shared ownership and decision-making among its members
- E. Can raise capital through the sale of stocks on the open trading exchanges
- F. Can allow smaller operations limited liability, but not to more than 100 owners



3. Match the **CONS/DISADVANTAGES** with the corresponding business ownership type:

A Sole proprietorship

D Professional Corporation

C Partnership

B Non-profit Corporation

F C-Corporation

E Cooperative

- A. Typically has the most difficulty raising capital
- B. Does not provide any financial ownership to those who establish/operate the organization
- C. Each of the owners is personally responsible for all debts and obligations of the business
- D. Owners may only sell their ownership to others with matching credentials
- E. Owners usually only have one vote in decisions, regardless of the size of their investment
- F. Can be most difficult to convert to a “lower” business type with fewer owners

If you have questions or need assistance, reach out to the bsnsAtlas team in our private Facebook group at:

www.facebook.com/groups/bsnsAtlas