

Corporations

Circle the correct response

#	Question	Answer A	Answer B	Answer C	Answer D	Answer E
1	Which government entity grants permission for corporations to exist?	Internal Revenue Service	Individual State Governments	Federal Department of Commerce	All of the above	None of the above
2	Which of the following is NOT a disadvantage of incorporating a business?	Corporations cost more to create and maintain	Limited liability applies to corporations	There are more requirements and regulations for corporations	All of the above	None of the above
3	Why would a Board of Directors decide to issue a dividend?	The company has made profit	Cash flow is sufficient to issue the dividend and still continue planned operations	The investors expect a financial return on their investment	All of the above	None of the above
4	Who selects/hires the Corporate Officers?	Shareholders	Stockholders	Board of Directors	All of the above	None of the above
5	What is the maximum number of stockholders an S-Corporation can have?	10	100	Unlimited	All of the above	None of the above

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Section 3 Quiz Answers:

1. B – Individual State Governments
2. B – Limited liability applies to corporations
3. D – All of the above
4. C – Board of Directors
5. B – 100