

Name _____

Part 2: Concept Review

Answer all questions in full and complete sentences

Open Response

Write your response to each of the following statements or questions in the space provided. Use complete sentences.

1. What is an intermediary? What benefit do they provide in business?

2. What information should be detailed in the articles of partnership?

3. What are the benefits and restrictions of an S corporation?

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- 4. A disadvantage of proprietorships is unlimited liability. What is unlimited liability and why is it a disadvantage?

- 5. A friend wants to start a business and asks your advice on the best form of ownership. She is very smart and experienced, and prefers to make important decisions by herself. She does not need to raise large sums of capital and wants to keep the costs of forming the business low. In addition, she has substantial personal wealth that she wants to keep separate from the business. Consider the following business forms: proprietorship, partnership, corporation, and limited liability company (LLC). Make a short argument for one of the forms of ownership for your friend.
