

CRITICAL THINKING 3

CATEGORIZING INFORMATION ABOUT BUSINESS ORGANIZATIONS

Categorizing helps you deal with many facts in an organized way. For example, the advantages and disadvantages of business organizations can be studied by organizing facts in a chart.

Directions: Categorize the information about two types of business organizations by writing the number of each phrase below in the correct space or spaces.

Business Organization	Advantage	Disadvantage
Sole Proprietorship		
Partnership		

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| <ol style="list-style-type: none"> 1. usually limited capital 2. ease of starting up 3. ease of management 4. only one special IRS schedule required at tax time 5. establishment involves only fees for attorney and state 6. potential for conflict 7. enjoyment of profits without having to share them 8. no separate business income tax preparation 9. more easily attracts top talent 10. satisfaction of being your own boss | <ol style="list-style-type: none"> 11. ease of getting out of business 12. attracts financial capital more easily 13. personal and full responsibility for all business losses and debts 14. difficulty raising financial capital 15. each responsible for acts of all other partners 16. often limited managerial experience 17. difficult attracting qualified employees 18. limited life 19. more efficient operations because of larger size 20. less efficient operations because of size |
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