Guided Reading – Chapter 8, Section 2

Review Questions – Can be found on page 216, #’s 2-4

2. **Synthesizing** – In a pyramid like the one below, rank the following four types of businesses in order of risk to you, with the highest risk at the top: partnership, limited partnership, limited liability company, sole proprietorship.

-sole proprietorship\_\_

-partnership\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

-limited partnership\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

-limited liability\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Comparing –What is one advantage of a joint venture?

-The partnership lasts a short time and members are then free for other opportunities (p. 216)

4. Critical Thinking – The BIG Idea – Explain the advantages and disadvantages of being a sole proprietor.

Advantages – a sole proprietor keeps all of the profits and makes all decisions

Disadvantages – the sole proprietor has unlimited liability and all the responsibility