

Chapter # 09

"The Organizational Plan".

Short Questions :

2. Types of legal forms of Business:

- ⇒ Sole proprietorship.
- ⇒ Partnership.
- ⇒ Limited liability company.
- ⇒ Corporation.
- ⇒ Cooperative.

3. Proprietorship:

- ⇒ A sole proprietorship, also known as the sole trader, individual entrepreneurship or proprietorship.
- ⇒ A type of enterprise that owned & run by one person & in which there is no legal distinction between the owner & the business entity.

4. Partnership:

- ⇒ An association of two or more people as partners.
- ⇒ The partnership is a form of business where two or more people share

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ownership, as well as the responsibility for managing the company and the income or losses the business generates.

5. Corporation:

⇒ A large company or group of companies authorized to act as a single entity and recognized as such in law.

⇒ A group of people elected to govern a city, town or borough.

11. LLC:

⇒ A limited liability company is the US-specific form of a private limited company.

⇒ It is a business structure that can combine the pass-through taxation of a partnership or sole proprietorship with the limited liability of a corporation.

12. Advantages of LLC:

- Limited owner liability.
- Easy to form.

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- Unlimited partnership.
- Tax flexibility.
- Unrestricted pay.

15. Board of Advisor:

- ⇒ Advisory board is a body that provides non-binding strategic advice to the management of the corporation, organization or foundation.
- ⇒ The informal nature of an advisory board gives greater flexibility in structure & management compared to the board of directors.

15- New forms of Business formations:

- ⇒ Sole proprietorship.
- ⇒ General partnership.
- ⇒ LLC (limited liability company).
- ⇒ LLP (limited liability partnership).
- ⇒ C Corporation.

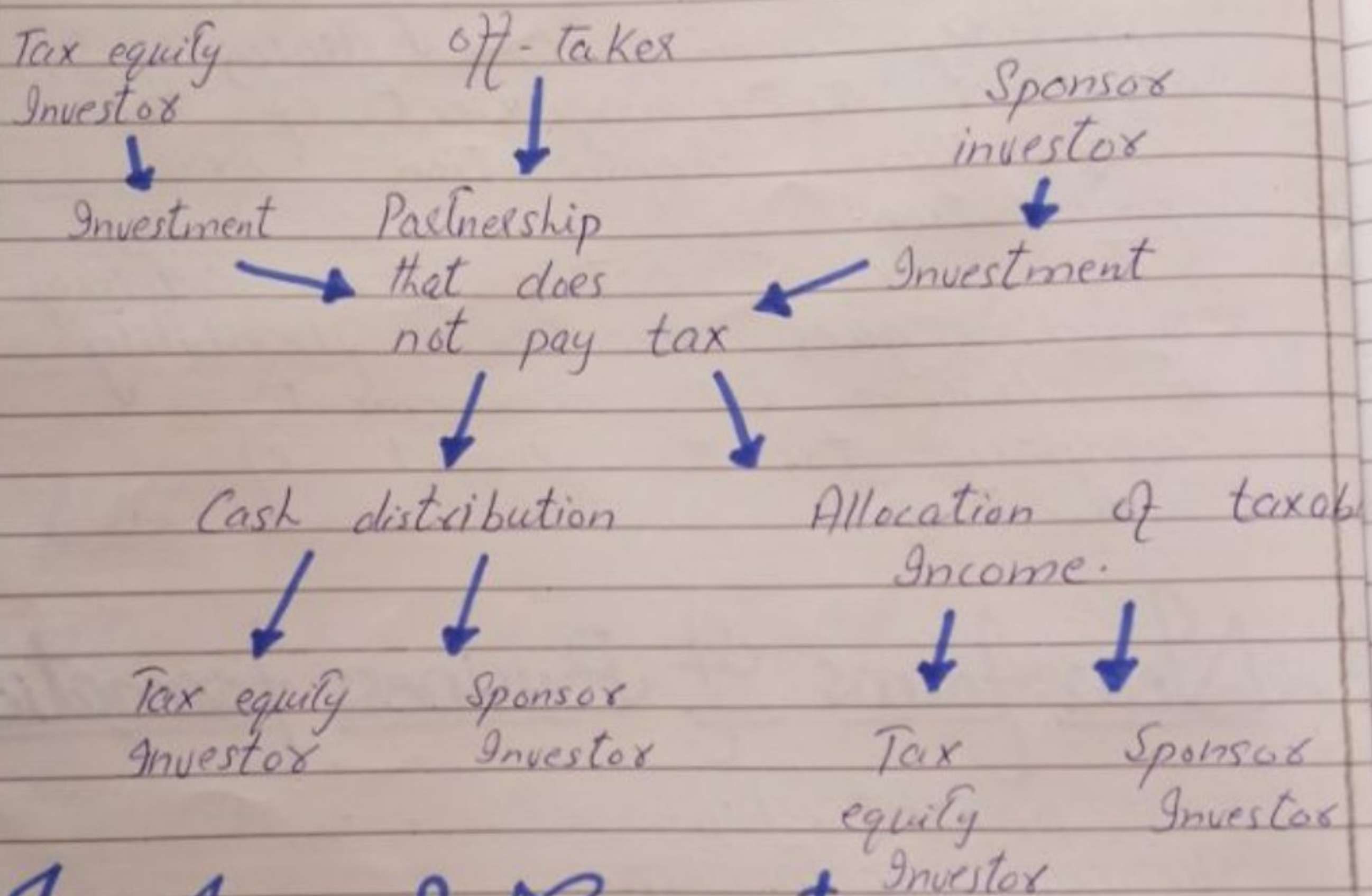
16. Tax Issue of Proprietorship:

- ⇒ Filing a tax return.
- ⇒ Estimated taxes.

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- => Self-employment taxes.
- => Incorporating your business may cut your tax bill.

8. Tax Issue for Partnership:



9. Tax Issue of Corporatization:

- => Corporate tax are collected by the government as a source of income.
- => Tax are based on operating earnings after expenses have been deducted.
- => Relocation risk.
- => Forecasting can be wrong.