



1.2 Types of business entities

# Terminology exercise



**Check that you understand the terminology used in this subtopic by dragging the correct word into each space.**

Businesses in the \_\_\_\_\_ are owned and controlled by private individuals; the government might have little involvement in their decision-making.

Businesses in the \_\_\_\_\_ are owned and run by the government; their role is to provide essential services for the people, such as free or subsidised healthcare and education. The \_\_\_\_\_ sector provides for human needs, usually by providing wide access to services.

\_\_\_\_\_ are individuals who own and run their businesses alone; there is little legal distinction between the individual and their business. They also have \_\_\_\_\_, which means they are personally responsible for any business debts and may have to sell their personal assets to pay back any debt. A \_\_\_\_\_ refers to a business alliance between two or more individuals who are jointly responsible for the business.

\_\_\_\_\_ are generally large organisations owned by many individuals and groups of individuals, known as \_\_\_\_\_. A \_\_\_\_\_

company has

## Company has

greater finance available because there are many people who can invest in the business. Shares are sold for the first time at the initial

, where the business sells all or part of the business to external shareholders. As owners of the business, the shareholders usually receive a portion of the profits in the form of .

unlimited liability

public offering

publicly held

public

shareholders

partnership

public sector

private sector

Sole traders

Companies

dividends

✓ Check



Question: 1 of 2 questions

