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Business Organization

Types of business
organizations

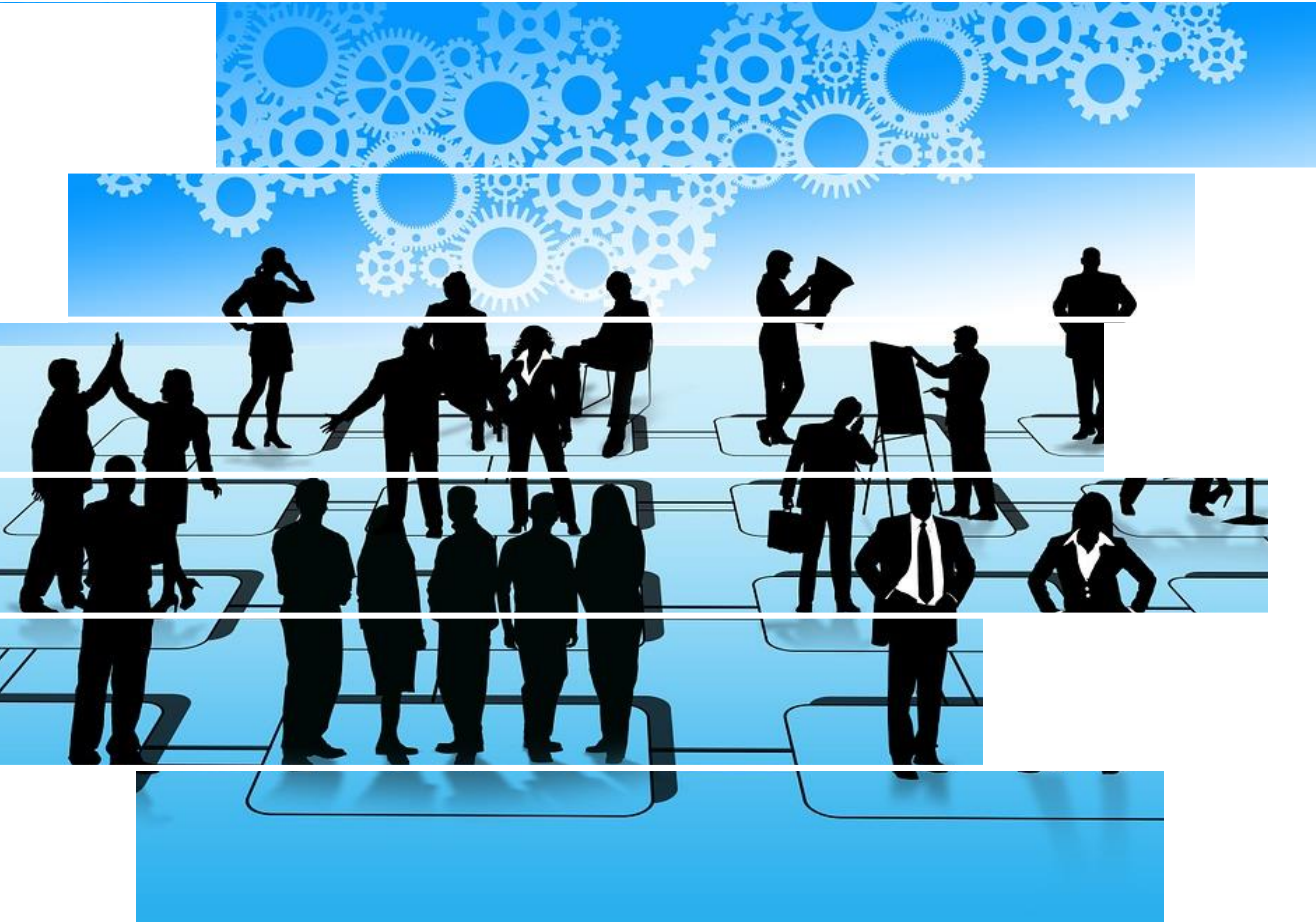
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INTRODUCTION

Students can identify types of business organizations.



The meaning of Business Organization

A business organization involves a group of people working together for a common interest, usually profit. Business organizations can take the form of sole proprietorship, partnership, corporation, and franchise.

START



WARM-UP

Do you work in a company?

How would you categorize the company you work for
among the four types of organizations?



GETTING STARTED

How can you work together with someone to start a
business venture.

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01 Sole Proprietorship

This is a kind of business organization

established, financed, controlled and organized
by one person. It is commonly called one-man
business. Most **private** businesses start as a
sole **proprietorship**.

AZ

Establish (verb) Set up

Finance (verb) Funding

Private (adjective) Owned by an individual

Proprietorship (noun) Ownership

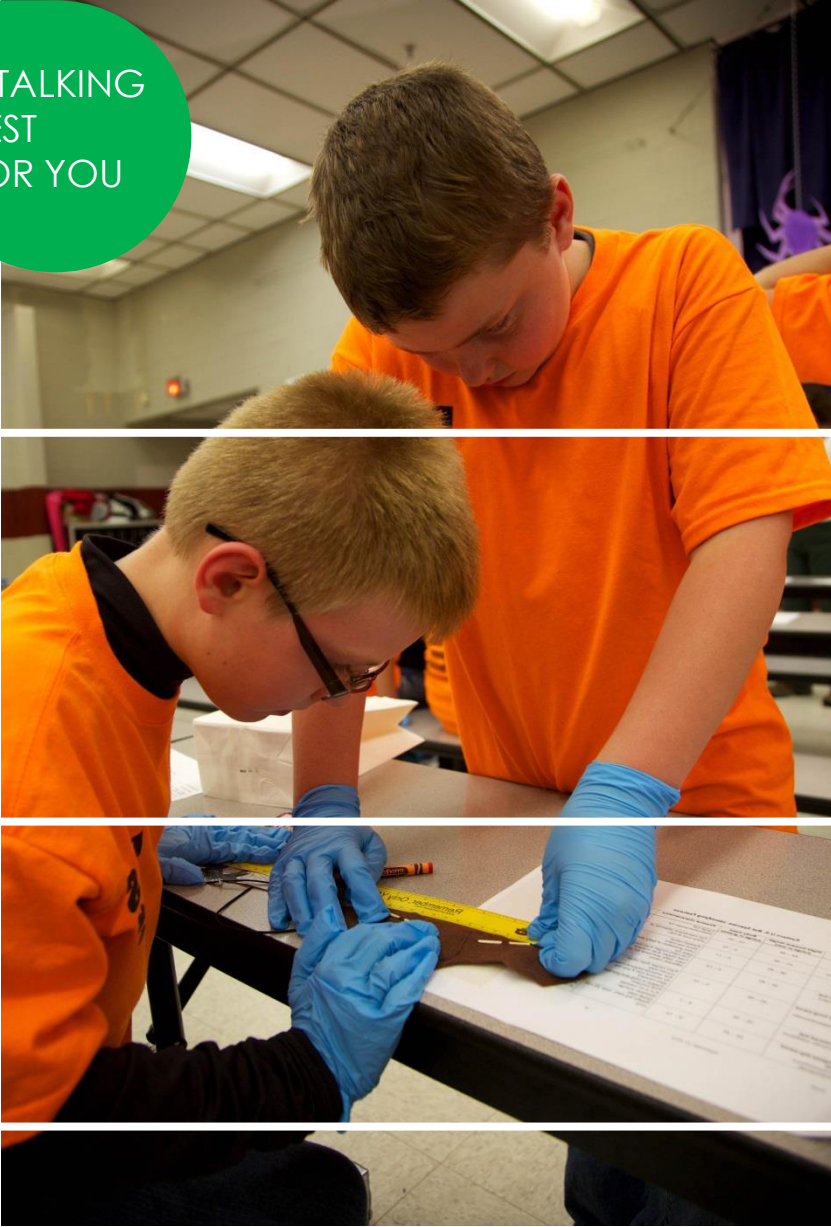




DISCUSSION

What are other attributes of a one-man business?

01



02 Partnership

This is a kind of business organization formed by two or more people. They finance the business by **contributing capital** together, and share the profits and losses according to the capitals contributed.



Contribute (verb) Participate in expenses

Capital (noun) Money used for business



DISCUSSION

What number of people do you think is ideal for starting a
business in partnership? Why?

02

03 Corporation

A corporation is also referred to as a **limited** company. This kind of business can only start **operation** after fulfilling a set of government **requirements**. They get most of their capital by selling **shares**. People who buy their shares are called shareholders.

AZ

Limited (adjective) Restricted in amount
Operation (noun) The action of functioning
Requirement (noun) Conditions
Shares (noun) Divisions of a company's capital





DISCUSSION

Which business do you think will have a longer life span, a sole proprietorship or a corporation?

03

04 Franchise

This involves giving the **right** to a person or company to operate a branch of business in a **particular** place. Normally, a **license** is granted to the applicant by the company. This allows them to **confirm** the agreement within a week, and then start the business operation.



Right (noun) Authority

Particular (adjective) Certain

License (noun) Permission from an authority

Confirm (verb) Make certain



DISCUSSION

What do you understand by the word “Franchise”?

Identify one benefit of running a franchise business.



SPEAKING TASK

Using correct English, differentiate a company from an association.



ASSESSMENT

Complete the sentences using the vocabulary words

from this lesson:

Answer the following questions based on today's lesson.

1. **What is a business organization?**
2. **Mention two attributes of a sole proprietorship.**
3. **What are the requirements of a corporation?**
4. **Why do people go into business?**



ASSESSMENT

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Thank you !

