Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Introduction to Business - Ch. 6 Book Questions, pgs. 94-95 (1-23)**

**Part 1 – Using Business Key Words**

Instruction: Read each statement below. Choose a word from the word bank that best fits the statement and type it in the spaces provided below the statement.

|  |  |  |
| --- | --- | --- |
| Sole proprietorship | Partnership | Corporation |
| Intermediary | Cooperative | Unlimited liability |
| Limited liability | Nonprofit organization | Wholesaler |
| Processors | Manufacturers | Franchise |
| Producer | Retailer | Stock |

|  |  |  |
| --- | --- | --- |
| 1. | A \_\_\_\_\_\_ is a business organization with two or more owners who share the risk and rewards. |  |
| 2. | Shares of ownership in a corporation are called \_\_\_\_\_\_. |  |
| 3. | A \_\_\_\_\_\_ buys and resells goods. |  |
| 4. | A business owned by one person is called a \_\_\_\_\_\_. |  |
| 5. | A business that is treated by law as a separate entity is a \_\_\_\_\_\_. |  |
| 6. | Businesses that change raw goods into more finished products are called \_\_\_\_\_\_. |  |
| 7. | \_\_\_\_\_\_ turn raw or processed goods into finished products. |  |
| 8. | \_\_\_\_\_\_ is full legal and financial responsibility for a business. |  |
| 9. | \_\_\_\_\_\_ is financial responsibility only for what the owners of a corporation have invested. |  |
| 10. | A contractual agreement to sell a company’s products or services in a designated geographic area is a \_\_\_\_\_\_. |  |
| 11. | A business whose main purpose is to provide a service rather than to earn a profit is called a \_\_\_\_\_\_. |  |
| 12. | \_\_\_\_\_\_ is a group of small businesses banded together into a type of corporation. |  |
| 13. | A \_\_\_\_\_\_ is a business that gathers raw products in their natural state. |  |
| 14. | A type of business that buys goods in large amounts and resells them to other businesses in smaller lots is called a \_\_\_\_\_\_. |  |
| 15. | A type of business that buys goods from wholesalers or manufacturers and sells them directly to the public is called a \_\_\_\_\_\_ |  |

**Part 2 – Review What You Learned**

Instructions: Read each question and answer it thoroughly in the space provided below each question.

16. List four advantages of a business organized as a sole proprietorship.

17. How many people must be involved in a partnership? Is there a limit on the number of partners a

business can have?

18. Sole proprietorships and partnerships both have unlimited liability for their business debts. What does

that mean to the owners?

19. What happens when a partner leaves a business or dies?

20. What is the major advantage of a corporation? Explain you answer.

21. Describe the differences between producers, processors, manufacturers, and intermediaries.

22. What is another name for an intermediary?

23. Currently, service businesses employ what percentage of the workforce?