**Business Organization**

*Unit 1.4 Questions*

1. Fill in the blanks:  
     
   Many small or medium enterprises are organized as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ because there is limited \_\_\_\_\_\_\_ available to begin with. Nevertheless, sharing \_\_\_\_\_\_\_ is a major reason why \_\_\_\_\_\_\_\_\_\_\_are an attractive option. \_\_\_\_\_\_\_\_\_\_\_ though, may tempt businesses to set up as either \_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_, as this is a feature they share in common. In fact these companies can be said to be \_\_\_\_\_\_\_\_\_\_\_\_\_, as this is when the \_\_\_\_identity of a firm is different from the owner’s identity. [4]

**Public Limited Companies, Sole Traders, capital, partnerships, Private Limited companies, Unincorporated, legal, ideas,**

1. Decide which form of business organization is best for the following companies [4] :
   1. A company making thousands of pounds that is looking to raise extra finance
   2. A group of three brothers looking to make pizzas, with limited start-up capital.
   3. An entrepreneur who has an online company and wishes to keep all the profits
   4. A company making hundreds of pounds of profit, who want protection in case of bankruptcy.
2. Tom and Joseph Thin are debating forming a Private Limited Company after having had a partnership for many years. Outline two advantages that could arise from his decision, and two disadvantages. [4]
3. Fill in the table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Business Organisation** | **Number of Owners** | **Tax on Profits** | **Liability** | **Set up cost** | **Financial information** |
| Sole Trader |  |  |  |  |  |
| Partnership |  |  |  |  |  |
| Private Limited |  |  |  |  |  |
| Public Limited |  |  |  |  |  |

1. Explain what a ‘dividend’ is [2]