



Notes on Legal Structures of Business

Name: _____ Class _____ Date: _____

Read the article titled “Choosing the Right ‘Boat’ for the High Seas of Business.” At the end of the article, study the table showing the advantages and disadvantages of each type of legal structure. Then answer these questions:

1. What type of products did 18-year-old Kevin Hanks sell? _____
2. What legal structure did Kevin select for his business? _____
3. Why is a sole proprietorship so easy to set up?
4. What are two disadvantages of a sole proprietorship?
5. What type of products did Imani Scott sell? _____
6. What legal structure did Imani choose for her business? _____
7. What was her main reason for setting up her business as a partnership?
8. Who were Imani’s partners? _____
9. What type of business does Arthur Smith own? _____
10. What legal structure did Arthur feel was best for him? _____
11. Why did Arthur feel this legal structure was the right choice?

(This is a fill-in PDF form. You may type your answers into the blanks, then print. Or you may print the form and fill it in by hand. For course credit, submit the form to your teacher.)

12. Can Arthur's company have shareholders? _____ How many? _____

13. What type of business does Jayson Meyer own? _____

14. Why did he choose a C-Corporation rather than an S-Corporation?

15. What are some things Jayson was doing so that he would be prepared to take his company public in the future?

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