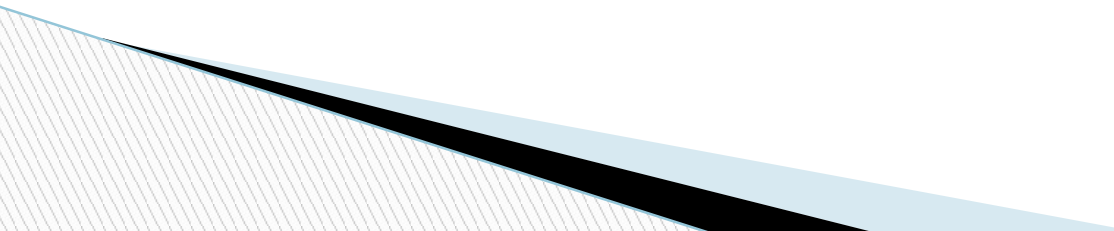


Types of Businesses

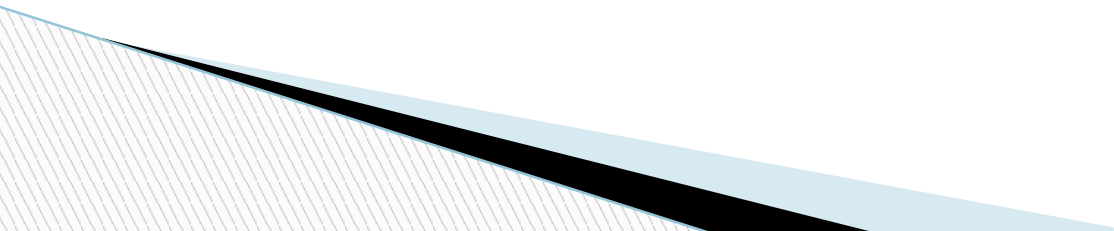
Serikova Dilyara
checked: Aliya Sagidollaevna



Forms of Business Ownership

- ▣ Forms of business **ownership** and types of businesses describe how they are organized and run. The four main forms of business ownership are listed below.
 - ▣ sole proprietorship
 - ▣ corporation
 - ▣ partnership
 - ▣ co-operatives
- 

Sole Proprietorships

- A **sole proprietorship** is a business owned by one person who is known as the proprietor. The proprietor has a wide range of responsibilities including arranging displays and selling to customers to name a few. Funds to run the business usually come from the owner's savings, friends, family, or from a bank loan. If the business prospers, the owner receives all of the profits. If the business does poorly, the owner is responsible for its losses. This is called **unlimited liability**.
- 

Partnerships

- A **partnership** refers to a type of business in which two or more individuals share the costs and responsibilities of owning and operating it.
- The terms of the **partnership** are recorded in the **partnership agreement**. The most common form of **partnership** is a **general partnership**. When two individuals form a **limited partnership**, the partners are only responsible for the funds they both invested in the initial business. This is called **limited liability**.

Corporations

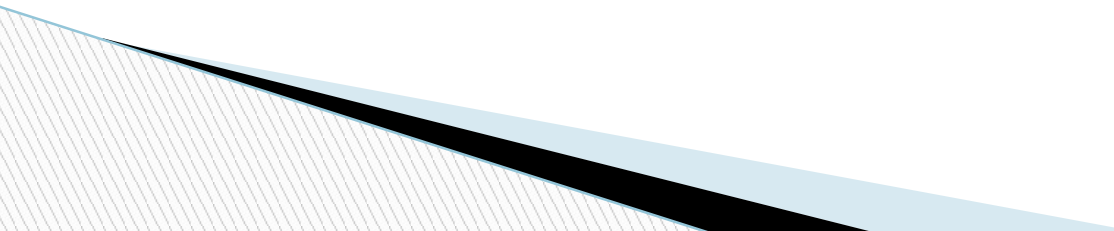
A **corporation** is a business granted legal status with rights, privileges, and liabilities that are distinct from those of the people who work for the business. Corporations can be small such as a one-person business or large such as A **multinational** that conducts business in several different countries.

Small portions of corporate ownership that are owned publicly are called **stocks or shares**. Individuals who own shares of a corporation are called **shareholders** and become owners of the business. Shareholders have **limited liability**. A **board of directors** runs a corporation that is owned by shareholders.

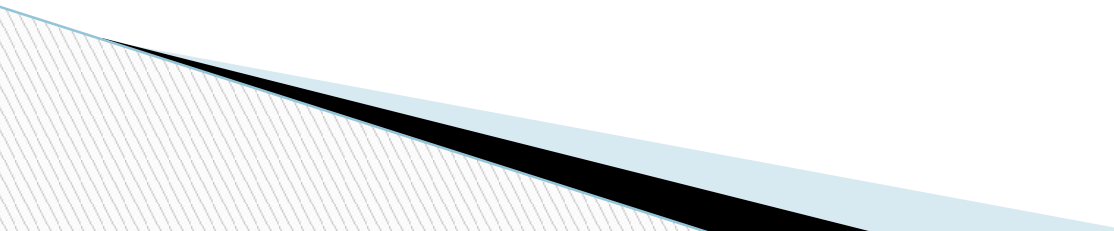


A publicly traded corporation that makes a profit may pay out dividends to shareholders.

Types of Corporations

- private corporations
 - Crown corporations
 - public corporations
 - municipal corporations
- 

Co-operatives

- A **co-operative** is owned by the workers or members who buy the products or use the services that the business offers. This type of business is motivated by service and not profit. Adaptations of this business model include consumer, retail, and worker co-operatives.
- 

Producers

- A person or business enterprise that generates goods or services from the development of raw material to the finished product
- Example
 - Restaurant



Raw Goods Producer

- Extract raw materials for use in usable products
- Example
 - Farmer
 - Miner



Manufactures

- ❑ Takes raw materials from outside the company and turns them into a form that consumers can use
- ❑ Examples
 - Textile mill – turns cotton into yarn and then to cloth
 - Automobile plant – General Motors



Trade Industries

- Service Producing Industry – Provide task or a service for money.
 - Healthcare facility
 - Insurance company
 - Retail Stores
- Goods Producing Industry – Provide a tangible item for money. (something you can touch and take with you)
 - Manufacturing
 - Mining
 - Agriculture



Retailers

□ The final business organization in an indirect channel of distribution

□ Types

- Department Store - Dillards
- Discount Store - Target
- Specialty Store – Foot Locker
- Super Market – Brookshire Brothers
- Convenience Store – Stop and Go
- Specialty Superstore – Home Depot
- Factory Outlet - Nike
- Hypermarket - Costco
- Non-store (online)Shopping - Amazon



Wholesalers

- ❑ Companies that assist with the distribution activities between businesses
- ❑ Examples:
 - United Distributing (food)
 - FTD (florist)
 - Sam's Club



Service Business

- A business firm that does things for the consumer
- Examples
 - Airline – Southwest
 - Moving Company – Mayflower
 - Hair stylist



Private Enterprise

- Individual owned business with limited government direction
 - Businesses decide what to produce
 - Consumers decide what to purchase
 - Government regulates unfair business practices

Since a pure market economy does not exist, most countries with limited government influence refer to their economy as a private enterprise. The United States is the best example of this type of economy with the limited amount of government intervention.

