

Chapter 33 Entrepreneurial Concepts

Section 33.2 Business Ownership

Section Outline with Content and Academic Vocabulary

Section Outline

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Content Vocabulary

franchise A legal agreement to sell a parent company's product or services in a designated geographic area. (p. 785)

sole proprietorship A business that is owned and operated by one person. (p. 786)

unlimited liability A type of investment in which the business owner's financial liability is not limited to investments in the business, but extends to his or her total ability to make payments. (p. 787)

partnership A legal agreement between two or more people to be jointly responsible for the success or failure of a business. (p. 787)

general partnership A type of business ownership in which each partner shares in the profits and losses. (p. 787)

limited partnership A type of business ownership in which each limited partner is liable for any debts only up to the amount of his or her investment in the company. (p. 789)

limited liability A type of investment in which the personal assets of the owners cannot be taken if a company does not meet its financial obligations or if it gets into legal trouble. (p. 789)

corporation A legal entity created by either a state or federal statute, authorizing individuals to operate an enterprise. (p. 789)

stockholder An owner of a corporation with limited liability. (p. 789)

foreign corporation One that is incorporated under the laws of a state that differs from the one in which it does business. (p. 790)

limited liability company (LLC) A relatively new form of business organization that is a hybrid of a partnership and a corporation. (p. 790)

Doing Business As (DBA) The registration by which the county government officially recognizes that a new proprietorship or partnership exists. (p. 790)

Articles of Incorporation Identifies the name and address of a new corporation, its purpose, the names of the initial directors, and the amount of stock that will be issued to each director. (p. 791)

Academic Vocabulary

community A district where people live; occupied primarily by private residences. (p. 785)

vary To be different; to change. (p. 790)