

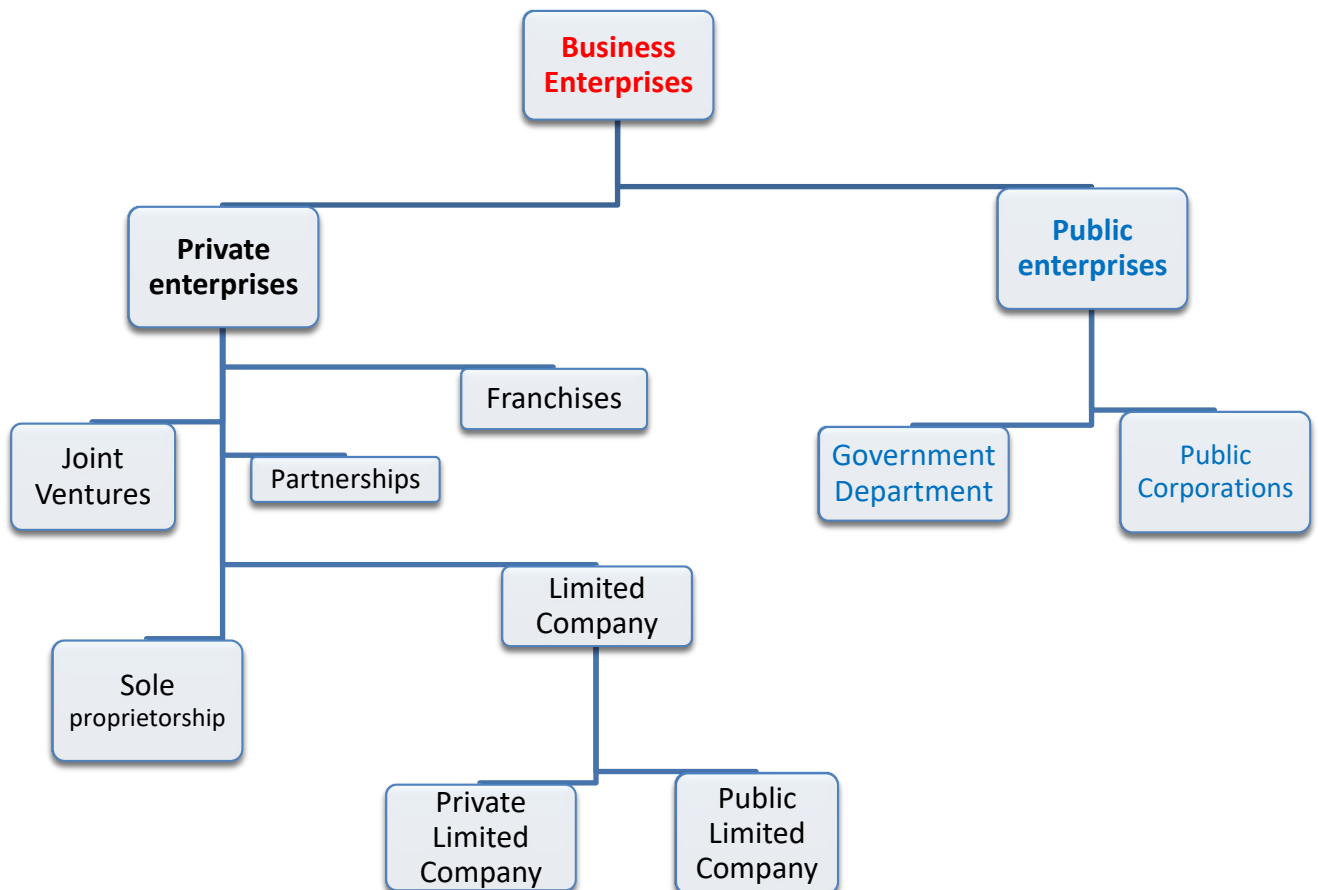
## Forms of business Ownership

An enterprise produces or provides \_\_\_\_\_ **or** \_\_\_\_\_.

Two major types of business ownership are

- (i) \_\_\_\_\_ enterprises owned by private \_\_\_\_\_ and
- (ii) \_\_\_\_\_ enterprises owned by the \_\_\_\_\_.

Different forms of business enterprises are outlined as follows:



## Sole proprietorship

A sole proprietorship is a business owned by \_\_\_\_\_ person.

### Characteristics of a sole proprietorship

#### Owned by one person:

It is \_\_\_\_\_ owned by one person. The owner alone puts \_\_\_\_\_ into the business and has complete \_\_\_\_\_ for running the business. Any \_\_\_\_\_ or \_\_\_\_\_ that results is the owner's.

#### Unlimited liability:

A sole proprietorship is not a **legal** \_\_\_\_\_. This means the firm has no separate legal existence from its owner. The \_\_\_\_\_ of a sole proprietor is \_\_\_\_\_. If the business fails, the owner is responsible for paying off all the \_\_\_\_\_. As a result, the owner may lose not only the business, but also his personal \_\_\_\_\_ such as cash, cars and houses if the business fails.

#### Small scale of business:

Since it is difficult for a sole proprietor to raise \_\_\_\_\_, the scale of business of a sole proprietorship is usually small. To save on \_\_\_\_\_, a sole proprietor does not usually have many \_\_\_\_\_ and he often works in the business,

#### Managed by the owner:

It is often managed by the owner. He may be assisted by \_\_\_\_\_ members. Besides supervising the workers, the owner has to perform various \_\_\_\_\_ such as \_\_\_\_\_, / \_\_\_\_\_ products and \_\_\_\_\_. Therefore the owner makes all the business \_\_\_\_\_ and works long \_\_\_\_\_.

### A person may consider establishing a sole proprietorship for business if

- This is the \_\_\_\_\_ time he has \_\_\_\_\_ a business;
- He is thinking of setting up a \_\_\_\_\_ business
- He wants to make things \_\_\_\_\_ and avoid complicated \_\_\_\_\_
- He has adequate \_\_\_\_\_ to operate the business
- The business is not \_\_\_\_\_.