

1. Simple set-up procedures

It is **e**_____ to set up a sole proprietorship. The owner can **s**_____ the business after obtaining a Business Registration **C**_____.

2. Low set-up costs

Little **m**_____ is needed to set up the business. For example, a locksmith needs only a few specialized tools and a small **p**_____ to run the business.

3. Efficient and flexible operations

Since the owner can make **d**_____ quickly according to changes in **m**_____ demand, the operation is more efficient and **f**_____. For example, the owner can act immediately to get the latest goods to satisfy consumer **d**_____.

4. Close relationship with customers

The **s**_____ of a sole proprietorship is usually small. The owner is able to give customers personal **a**_____. When a close relationship is developed, customers will likely return for more **p**_____ in the future.

5. Close relationship with employees

As there are usually few **e**_____, a sole proprietor can have a close relationship with his staff. In a good working environment, work is done more **e**_____.

6. Lower profits tax rate

The profits tax rate for a sole proprietorship was only _____%, compared with 16.5% for a limited company.

7. Easy transfer of ownership

A sole proprietor can easily transfer the **o**_____ of the business to others.

Dictation:

1.

2.

3.

4.

5.

6.

7.

1. Unlimited liability

A sole proprietor needs to bear unlimited l_____. If the business fails, he is p_____ liable for the debts of the business without limit. He may even have to sell his personal b_____.

2. Little time to rest

A sole proprietor has great r_____ and a heavy w_____. He has to work long h_____ with little time for r_____.

3. Lack of skills

Running a business requires a number of s_____, e.g. m_____, a_____ and m_____. A single owner may not have all the skills required to develop the business well.

4. Lack of continuity

The ex_____ of the business always depends on the o_____’s good health. Illness or d_____ means that the business may c_____ if there is no one to carry it on.

5. Lack of capital sources

A sole proprietor often has difficulty obtaining c_____. Many owners have to depend on s_____, retained profits, or ask for l_____ from relatives or friends. B_____ and financial institutions may not be willing to l_____ money to small firms such as a sole proprietor.

6. Difficult to compete with large businesses

Due to limited capital and r_____, it may be difficult for a sole proprietor to compete with large businesses. For example, large businesses can afford to engage in price w_____ while small companies may suffer l_____ if they reduce prices.

7. Heavy burden of some unavoidable costs

All businesses have to bear certain c_____, e.g., satisfying the Fire Safety (commercial Premises) O_____ by improving fire escapes or installing automatic sprinklers. For a small business, such costs may account for a l_____ proportion of its total costs.

Dictation:

1.

2.

3.

4.

5.

6.

7.