

There are three basic ways that businesses organize to earn profits.

Types of profit-seeking business structures

Proprietorship

A form of business organization with one owner who takes all the risks and all the profits.

Partnership

A form of business organization with two or more owners who share the risks and the profits

Corporation

A form of business organization that is authorized by law to act as a legal person regardless of the number of owners. In a corporation, owners share in the profit and limit their liability to the amount of their investment.

The student will demonstrate knowledge of the United States market economy by
b) comparing the types of business organizations.