

There are three basic ways that businesses organize to earn profits. Entrepreneurs play an important role in all three business organizations.

Entrepreneur

A person who takes a risk to produce goods and services in search of profit

May establish a business according to any of the three types of organizational structures



Basic types of business ownership

Proprietorship

A form of business organization with one owner who takes all of 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 the number of owners. Owners share the profits. Owner liability is limited to investment.



The student will demonstrate knowledge of the structure and operation of the United States economy by:
a) describing the types of business organizations and the role of entrepreneurship.