

## SSEMI4: Business Organization and Market Structure Notes

SSEMI4: The student will explain the organization and role of business and analyze the four types of market structures in the US economy.

a. Compare and contrast three forms of business organization—sole proprietorship, partnership, and corporation

- There are \_\_\_\_\_ ways a business may be organized
- Businesses could be \_\_\_\_\_ as one organization and \_\_\_\_\_ into others
- Sole proprietorship
  - A business that is \_\_\_\_\_
  - Characteristics
    - They have \_\_\_\_\_ meaning that the \_\_\_\_\_ are responsible for \_\_\_\_\_ of the company
    - They have \_\_\_\_\_ over the company
    - They have a \_\_\_\_\_ meaning the company will probably \_\_\_\_\_ when the owner \_\_\_\_\_
- Partnership
  - A business \_\_\_\_\_
  - Characteristics
    - The people who run it can \_\_\_\_\_
    - The \_\_\_\_\_ will have problems if the partners \_\_\_\_\_
    - They have \_\_\_\_\_
    - They have \_\_\_\_\_
- Corporation
  - A business \_\_\_\_\_
  - Characteristics
    - The corporation is run by a \_\_\_\_\_ or \_\_\_\_\_
    - \_\_\_\_\_ can buy stocks in a corporation which gives them a share or \_\_\_\_\_
    - The \_\_\_\_\_ elect the board of directors who choose the president or CEO
    - These have \_\_\_\_\_ because when the founders of the company \_\_\_\_\_, the company can go on
    - These have \_\_\_\_\_ because the stock holders are only out the money they have \_\_\_\_\_ when the corporation runs into financial trouble
    - \_\_\_\_\_ have little control and the corporation usually takes a \_\_\_\_\_ to change

b. Explain the role of profit as an incentive for \_\_\_\_\_

- Profit: \_\_\_\_\_
- Incentive: \_\_\_\_\_
- Why would profits be incentives for entrepreneurs?

c. Identify the basic characteristics of monopoly, oligopoly, monopolistic competition, and pure competition

- Businesses functions in \_\_\_\_\_
- These markets are structured based on the \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_
- Pure competition
  - \_\_\_\_\_
  - \_\_\_\_\_
  - Easy entry into market
  - Example: \_\_\_\_\_
- Monopolistic competition
  - \_\_\_\_\_
  - Slightly \_\_\_\_\_
  - \_\_\_\_\_ and \_\_\_\_\_ are important to buyers
  - Examples: \_\_\_\_\_
- Oligopoly
  - \_\_\_\_\_
  - Limited competition
  - Examples: \_\_\_\_\_
- Monopoly
  - \_\_\_\_\_
  - Very difficult to enter
  - \_\_\_\_\_
  - 4 types:
    - \_\_\_\_\_: only company with specific technology (example: Apple, Inc)
    - Natural: \_\_\_\_\_ (example: utility companies)
    - \_\_\_\_\_: the government owns/operates company (example: school system)
    - Geographic: \_\_\_\_\_ (example: last change gas station)