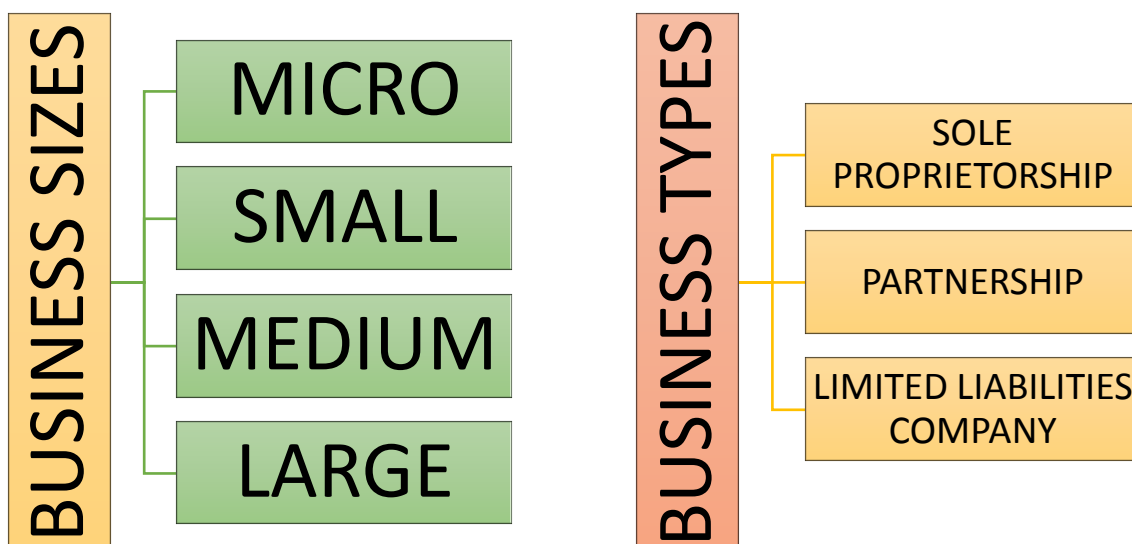


# UNIT 1. WHAT IS BUSINESS?

## LESSON 3. Business entities: structures and sizes

Prof.ssa Silvia Franco

- 1. TYPES OF BUSINESS: A BUSINESS CAN BE ORGANIZED IN SEVERAL WAYS, AND THE FORM ITS OWNERS CHOOSE WILL AFFECT THE COMPANY'S AND OWNERS' LIABILITY**



### VOCABULARY: words you are going to need for this class

- LIABILITY = RESPONSABILITY
- TO AFFECT= TO HAVE AN EFFECT ON
- TO OWN= TO HAVE
- OWNERS= PROPRIETOR
- TO FACE = TO CONFRONT
- TO GO AFTER= TO PURSUE
- DECISION MAKING= TO MAKE A DECISION

**Activity 1. You can take notes [here](#) and compare business structures**

#### 1. SOLE PROPRIETORSHIP: features

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#### 2. PROPRIETORSHIP: features

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### 3.LIMITED LIABILITIES COMPANY: features

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**ACTIVITY 2.** In pair, after choosing one type of business, describe it to your classmate.

### ACTIVITY 3. True/false activity

1. In a sole proprietorship, the owner faces unlimited liability: meaning that the creditors of the business may go after the personal assets of the owner if the business cannot pay them.	<b>TRUE or FALSE</b>
2. A limited liability company (LLC) is a business structure whereby the members of the company cannot be held personally liable for the company's debts or liabilities	<b>TRUE or FALSE</b>
3. SMe indicates large and micro enterprises	<b>TRUE or FALSE</b>
4. In general partnerships, all partners have unlimited liability	<b>TRUE or FALSE</b>
5. The sole proprietorship form is usually adopted by large business entities.	<b>TRUE or FALSE</b>
6. In limited partnerships, one partner is responsible for decision-making and can be held personally liable for business debts. The other partner invests in the business and creditors cannot go after the personal assets of the limited partners.	<b>TRUE or FALSE</b>