

SOMEBODY'S BUSINESS—ANSWER GUIDE

| Statements | Sole Proprietorship | Partnership | Private (Close) Corporation | "S" Corporation | "C" Corporation | Nonprofit Corporation | Hybrid Structure | Business Structure | Product-Format Franchise | Multi-Level Name Franchise | Licensing | Joint Ventures |
|--|---------------------|-------------|-----------------------------|-----------------|-----------------|-----------------------|------------------|--------------------|--------------------------|----------------------------|-----------|----------------|
| 1. Can have a single owner | X | | X | X | | X | | | | | | |
| 2. Can have unlimited liability | X | X* | | | | | | | | | | |
| 3. Must have 100 or fewer shareholders | | | | X | | | | | | | | |
| 4. Can have limited liability | | X** | X | X | X | X | | | | | | |
| 5. Shares not offered to the public | | | X | X | | X | | | | | | |
| 6. Designed to help small businesses avoid dual taxation | | | | X | | | | | | | | |
| 7. Usually sells millions of shares in stock | | | | | X | | | | | | | |
| 8. Generally not taxed by the federal government | | | | | | X | | | | | | |
| 9. Involves paying royalty fees | | | | | | | | X | X | | X | |
| 10. Operates under trade name of parent company | | | | | | | | X | | | | |
| 11. Requires little start-up capital | | | | | | | | | | X | | |
| 12. A short-term relationship | | | | | | | | | | | | X |
| 13. An independent sales relationship | | | | | | | | | X | | | |
| 14. Uses trademarked material for a limited time | | | | | | | | | | | X | |
| 15. Pays commissions to two or more people | | | | | | | | | | X | | |
| 16. Ideal arrangement for developing new profit centers | | | | | | | | | | | | X |
| 17. Combines corporation with sole proprietorship or partnership | | | | | | | X | | | | | |

* General partnership

** Limited partnership