

## SOMEBODY'S BUSINESS—ANSWER GUIDE

Statements	Sole Proprietorship	Partnership	Private (Close) Corporation	"S" Corporation	"C" Corporation	Nonprofit Corporation	Hybrid Structure	Business-Format Franchise	Product Trade-Name Franchise	Multi-Level Marketing Business	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