**Economics  
Mr. Parker  
Fall 2015**

**Chapter 8 & 11 “*Business Organizations*” and “*The Stock Market*” Study Guide**

**YOUR TASK TODAY, BEFORE THE TEST:   
1. Rank your knowledge of each objective 1-5.**(1=”I have no idea/never seen this before”, 5=”I know this well/will get an A on this”) **2. Rank your knowledge of each key term 1-5.**(1=”I have no idea/never seen this before”, 5=”I know this well/will get an A on this”)  
**3.** **Spend time reading, answering, or defining each objective and key term on this study guide (focusing FIRST on those you might not know well).**

**OBJECTIVES (Ch. 8 section 1 “*Sole Proprietorships*”)**Explain the characteristics of sole proprietorships.  
Analyze the advantages of a sole proprietorship.  
Analyze the disadvantages of a sole proprietorship.

**OBJECTIVES (Ch. 8 section 2 “*Partnerships*”)**   
Compare and contrast the different types of partnerships.  
Analyze the advantages of partnerships.  
Analyze the disadvantages of partnerships.

**OBJECTIVES (Ch. 8 section 3 “*Corporations*”)**  
Explain the characteristics of corporations.  
Analyze the advantages of incorporation.  
Analyze the disadvantages of incorporation.  
Compare and contrast corporate combinations.  
Describe the role of multinational corporations.

**OBJECTIVES (Ch. 8 section 4 “*Other Business Organizations*”)**   
Understand how a business franchise works.  
Identify the different types of cooperative organizations.  
Understand the purpose of nonprofit organizations, including professional and business organizations.

**OBJECTIVES (Ch. 11 section 3 “*The Stock Market*”)**Understand the benefits of buying stock.  
Describe how stocks are traded.  
Identify how stock performance is measured.  
Explain the causes and effects of the Great Crash on 1929.

**Key Terms:**

1. Business organization  
2. Sole proprietorship  
3. Business license  
4. Liability  
5. Fringe benefit  
6. Partnership  
7. General partnership  
8. Limited liability partnership (LLP)  
9. Articles of partnership  
10. Assets  
11. Corporations  
12. Stock  
13. Closely held corporation  
14. Bond  
15. Dividend  
16. Horizontal merger  
17. Vertical merger  
18. Conglomerate  
19. Multinational corporation  
20. Business franchise  
21. Royalty  
22. Service cooperative  
23. Producer cooperative  
24. Nonprofit organization  
25. Professional organization  
26. Business association  
27. Trade association  
28. Stock Market

**\* Re-read: The main ideas in the “Section Focus” for each section (pages 185, 190, 195, 201, and 285).**

**\* Re-read the Chapter Summaries on p. 206 & p. 294 for each section.**

**\* Be able to complete each of the objectives in each section. (*HINT: these will make up most of your test questions!*)**

**\*KNOW the advantages and disadvantages of Sole Proprietorships, Partnerships, Corporations, and Other Business Orgs.!!**

**\* KNOW the info in Chapter 11, section 3 – “The Stock Market.” What are the BENEFITS and RISKS of buying stocks!!**