

31 Lecture - MGT101

Important Subjective

1. **What is a sole proprietorship?**

Answer: A sole proprietorship is a business structure where the business is owned and operated by a single individual, who is personally responsible for all debts and liabilities.

2. **What is a partnership?**

Answer: A partnership is a business structure where two or more individuals share ownership and management responsibilities and are personally liable for the business's debts and obligations.

3. **What is a limited liability company (LLC)?**

Answer: A limited liability company is a hybrid business structure that provides the owners with limited liability protection while also offering flexibility in management and taxation.

4. **What is a corporation?**

Answer: A corporation is a separate legal entity that is owned by shareholders, and its operations are managed by a board of directors. Shareholders have limited liability protection.

5. **What is a cooperative?**

Answer: A cooperative is a business entity that is owned and operated by its members, who share the profits and decision-making responsibilities.

6. **What are the advantages of a sole proprietorship?**

Answer: The advantages of a sole proprietorship include simplicity, autonomy, and minimal legal requirements.

7. **What are the disadvantages of a partnership?**

Answer: The disadvantages of a partnership include unlimited personal liability, potential for disagreements between partners, and difficulty in raising capital.

8. **What are the advantages of an LLC?**

Answer: The advantages of an LLC include limited liability protection, flexible management structure, and pass-through taxation.

9. **What are the disadvantages of a corporation?**

Answer: The disadvantages of a corporation include double taxation, extensive legal requirements, and potential for loss of control by shareholders.

10. **What are the advantages of a cooperative?**

Answer: The advantages of a cooperative include shared risk, democratic decision-making, and the potential for greater bargaining power.