

1 Lecture - MGT401

Important Mcqs

1. **Which of the following is a type of business entity that offers limited liability protection to its owners?** A) Sole proprietorship B) Partnership C) Limited liability company (LLC) D) Corporation
Answer: C
2. **Which type of business entity is owned and operated by a single individual?** A) Partnership B) LLC C) Corporation D) Sole proprietorship
Answer: D
3. **Which type of business entity is taxed as a pass-through entity, meaning that the profits and losses are passed through to the owners' personal tax returns?** A) Corporation B) Partnership C) LLC D) Sole proprietorship
Answer: B
4. **Which of the following is a type of business entity that is owned and operated by two or more individuals?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: B
5. **Which type of business entity allows for an unlimited number of owners and has the ability to issue stock?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: D
6. **Which of the following is a type of business entity that combines the liability protection of a corporation with the tax benefits of a partnership?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: C
7. **Which type of business entity is often used by professional service providers, such as doctors and lawyers?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: C
8. **Which of the following types of business entities is governed by a board of directors?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: D
9. **Which type of business entity requires a formal written agreement, outlining the terms of ownership and management?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: B
10. **Which of the following types of business entities allows for profit sharing between its owners?** A) Sole proprietorship B) Partnership C) LLC D) Corporation
Answer: B