

BUSA130
Quiz By : Yazan Arafat

Ch3

Quiz CH 3

Total points **40/40** ?

bsu 130

ID: *

111

✓ A sole proprietorship is a business owned by one person. * 2/2

False

TRUE



✓ A ____ is independent and does not dominate its market. * 2/2

corporation

. partnership

small business

sole proprietorship



✓ In a franchise agreement, the franchiser is *

2/2

- the supplier
- the local owner
- the parent company
- any of a number of customers



✓ Which of the following is NOT a typical part of a business plan? *

2/2

- terms for credit purchases
- a financial plan
- general description of the business concept
- a sales forecast



✓ Company A purchased Company B. This is a *

2/2

- acquisition
- spin-off
- divestiture
- merger



✓ --- McDonald's, Blockbuster, and Subway are examples of * 2/2

- university sponsored businesses
- networking businesses
- government entities
- franchises



✓ --- Which of the following is the most significant disadvantage of franchising? * 2/2

- increased chance of failure
- lengthy contracts
- difficulty in obtaining financing
- high startup costs



✓ --- Which of the following legal forms of business is owned and usually operated by one person who is responsible for its debts? * 2/2

- corporation
- sole proprietorship
- cartel
- general partnership



✓ The most important benefit of sole proprietorship's *

2/2

- lack of privacy
- freedom
- failure
- no liability



✓ The most common type of partnership is a *

2/2

- general partnership
- limited partnership
- sole partnership
- corporate partnership



✓ Both sole proprietorship and partnerships lack *

2/2

- clarification
- trust
- continuity
- profits



✓ The organizational form defined as “an artificial being, invisible, intangible, and existing only in-contemplation of the law” is a(n) * 2/2

- corporation ✓
- limited partnership
- sole proprietorship
- general partnership

✓ In theory, the legal life of a corporation is. * 2/2

- one hundred years
- ten years
- . fifty years
- unlimited ✓

✓ Which of the following is NOT an advantage of the corporate form of organization? * 2/2

- low startup costs ✓
- limited liability
- continuity
- professional management

✓ Stock in UPS is not available for sale to the general public. UPS is an example of a * 2/2

general partnership

private corporation ✓

public corporation

partnership

✓ The governing body of a corporation is its * 2/2

stakeholders

top managers

stockholders

board of directors ✓

✓ Which of the following occurs when two firms combine to create a new company? * 2/2

takeover

venture

acquisition

merger ✓

✓
--- American Business Machines is organized as a corporation. Its income 2/2
will be taxed first at the corporate level and also on shareholder returns as
dividends. This situation is known as *

- double ownership
- dual costs
- double taxation ✓

- regulatory costs

✓
--- Most small businesses are involved in manufacturing. * 2/2

- TRUE
- False ✓

✓
--- By definition, a small business cannot be part of a larger business. * 2/2

- TRUE ✓

- False

- الخيار رقم 1