Types of Business Organization- Answer Key

	Ease/Cost of	Ease of	Taxation	Liability
	Start-Up	Transfer		
Sole Proprietor	Very easy	Difficult	Personal tax	Unlimited Liability
	Low cost		rates	
General	Easy	Difficult	Personal tax	Unlimited Liability
Partnership	Low cost		rates	
Limited	Moderate	Difficult	Personal tax	Limited liability for
Partnership	Low cost	2oure	rates	the limited partner.
T all all all all all all all all all a				Unlimited liability
				for the general
				partners.
C-corporation	Harder	Very easy	Corporate tax	Limited liability for
	Relatively		rates	owners
	high costs		May face double	
			taxation	
S-corporation	Harder	Relatively easy	Personal tax	Limited liability for
	Relatively		rates	owners
	high costs			
Cooperative	Harder	Moderately	Corporate tax	Limited liability for
	Relatively	difficult	rates may apply	owners
	high costs			
Limited	Hardest	Relatively easy	Personal tax	Limited liability for
Liability	Highest cost		rates (usually)	owners
Company (LLC)				