

FORMS OF OWNERSHIP

1. Name three forms of ownership: (3)

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2. Concepts of forms of ownership: (6)

Concept	Explanation
Legal personality	
Liability	
Continuity	

3. Explain TWO advantages for each of the forms of ownership and ONE disadvantage: (12)

Sole Proprietor/Trader

A1)
A2)
D1)

Partnership

A1)
A2)
D1)

4. Complete the following table

(9)

	Sole Trader	Partnership	Private Company
Number of owners			
Taxation			
Management of business			

5. Match the words/ concept in Column A to the correct form of ownership in Column B.

<u>Column A</u>		<u>Column B</u>	
5.1	Partners	A	Private Company
5.2	Limited liability	B	Sole Trader
5.3	No document required for formation	C	Partnership

Answer: (write the correct letter only)

5.1 _____ (1)
 5.2 _____ (1)
 5.3 _____ (1)

6. You have been running a small tuckshop at school over the past year. Due to its success and popularity, you have decided to expand and convert to a private company.

6.1) What would you consider the main advantage and disadvantage to this form of ownership? (4)

Advantage:

Disadvantage:

6.2) What must always follow the name of a private company? (1)
