

# The Three Basic Types of Business Ownership

# PROPRIETORSHIP

*A business organization  
with one owner*

- *The most common form of business in the U.S.*
- *Owner is free to decide how to run the business*
- *Profits go to owner alone*
- *Owner is solely responsible for paying debts.*

# PARTNERSHIP

*A business organization in which two or more people share ownership*

- *Risks and benefits are shared by more than one person*
- *There is a possibility of serious differences between partners*

# CORPORATION

*A business organization that is authorized by law to act as a legal entity regardless of the number of owners.*

- *Ownership and profits are shared by more than one person (stockholder)*
- *Business can raised large amounts of money by selling stock*
- *Owner (stockholders) liability is limited to the amount of money invested*