

Interactive Reading Notepad

Lesson 5.1 Sole Proprietorships

Use a separate piece of paper or a Word Document in office 365 to respond to all questions. I recommend completing this homework as you read.

Key Terms – write down and create a cognitive dictionary (model provided) for 50% of all terms from assigned sections by writing the word, writing down what you think it means, then define each in your own words on a piece of binder paper. Focus on words you do not know. As added practice, EITHER use the term properly in a sentence OR draw a picture that demonstrates the meaning of the word in a visual way (may not be applicable).

Cognitive Dictionary Example/model:

Word	What do you think it means?	Actual Definition	Properly use word in a sentence.
Element	A part of something	Factor; ingredient	Pasta is just one element of spaghetti.

sole proprietorship
business organization
business license

zoning laws
liability
fringe benefits

The Role of Sole Proprietorships: Text

- Draw Inferences** Why do you think more than 70 percent of all businesses are organized as sole proprietorships?
- Compare and Contrast** How might someone with an entrepreneurial spirit be different from someone who has worked for a single company for many years?

Advantages of Sole Proprietorships: Text

- Assess an Argument** Maggie wants to name her artificial flower arrangement business using her name, “Maggie Lightner, Inc.” Her friend Sally thinks she should name it “Forever Flower Designs.” Think about the advantages of a sole proprietorship. Why might Maggie want to consider Sally’s idea?

Disadvantages of Sole Proprietorships: Text

- Categorize** Use the chart to classify advantages and disadvantages of sole proprietorships.

Advantages of Sole Proprietorships	Disadvantages of Sole Proprietorships

5. **Use Visual Information** Study the bar graph showing “Survival of Sole Proprietorships.” Suppose there were 100 new sole proprietorships in Year 1. How many would still be in business in Year 3?

Lesson 5.2 Partnerships and Franchises

Use a separate piece of paper or a Word Document in office 365 to respond to all questions. I recommend completing this homework as you read.

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partnership	articles of partnership
general partnership	assets
limited partnership	business franchise
limited liability partnership	royalties

The Characteristics of Partnerships: Text

- Determine Central Ideas** Based on the opening paragraphs of the section, what are the keys to determining if a partnership is appropriate?
- Categorize** What are the chief characteristics of a general partnership?
- Compare and Contrast** Use the graphic organizer to compare the characteristics of the three types of partnerships. For each type of partnership, identify each type of partner involved. Tell whether that partner’s liability is limited or full. Then tell whether that partner’s participation in the management of the business is limited or full.

Types of Partnerships		
	Liability	Business Management
General Partnership		
Limited Partnership		
Limited Liability Partnership		

Advantages of Partnerships: Text

4. **Summarize** What issues are addressed in the articles of a partnership?

Disadvantages of Partnerships: Text

5. **Solve Problems** What can two partners do to solve problems they are experiencing?

The Franchise Alternative: Text

6. **Infer** Use the graphic organizer to record the advantages and disadvantages of franchises.

Advantages of Franchises	Disadvantages of Franchises

Lesson 5.3 Corporations

Use a separate piece of paper or a Word Document in office 365 to respond to all questions. I recommend completing this homework *as you read*.

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corporation
stock
closely held corporation
publicly held corporation
bond
certificate of incorporation

dividend
limited liability corporation
horizontal merger
vertical merger
conglomerate
multinational corporation

The Characteristics of Corporations: Text

1. **Identify Supporting Details** Explain how a closely held corporation differs from a publicly held corporation.

Advantages of Incorporation: Text

2. **Compare and Contrast Describe** the difference between stocks and bonds. Explain how each can benefit a corporation.

Disadvantages of Incorporation: Text

3. **Hypothesize** Given the fact that corporations often face double taxation, why do you think that business owners might still decide to incorporate?

Corporate Mergers: Text

4. **Draw Conclusions** In what instance would antitrust regulators become concerned about a vertical merger?

Lesson 5.4 Cooperatives and Nonprofits

Use a separate piece of paper or a Word Document in office 365 to respond to all questions. I recommend completing this homework *as you read*.

Key Terms – write down and create a cognitive dictionary (model provided) for 50% of all terms from assigned sections by writing the word, writing down what you think it means, then define each in your own words on a piece of binder paper. Focus on words you do not know. As added practice, EITHER use the term properly in a sentence OR draw a picture that demonstrates the meaning of the word in a visual way (may not be applicable).

cooperative
consumer cooperative
service cooperative
producer cooperative

nonprofit organization
professional organization
business association
trade association

Cooperatives: Text

1. **Vocabulary: Determine Meaning** One of the principles of cooperatives is “voluntary and open membership.” What do you think this means?
2. **Draw Conclusions** If you were a cotton farmer, why might you choose to join a cooperative? What type of cooperative would you join? Explain.
3. **Determine Central Ideas** Why can a credit union lend money to members at reduced rates?

Nonprofits: Text

4. **Identify Supporting Beliefs** Why is the American Red Cross considering a nonprofit organization?
5. **Draw Conclusions** Social Networking Web sites have proven to be useful to nonprofits, especially charitable organizations and nongovernmental organizations. Why do you think this is so?