

## Entrepreneurship Building a Business

### Chapter 7 Types of Business Ownership

#### Section 7.1 Sole Proprietorships and Partnerships

##### SECTION 7.1 After You Read Answer Key

##### Self-Check

1. A sole proprietorship is a business that is owned and operated by one person.
2. A partnership agreement explains how the partnership will be run. It establishes how profits will be allocated, how responsibilities will be shared, and what will happen if one partner dies or quits.
3. General partners have unlimited personal liability and are responsible for managing the business. Limited partners are only liable for the amount of their investment, and they cannot be actively involved in managing the business.

##### Think

4. Sole proprietors must decide on the name of a business, then apply for a Certificate of Doing Business Under an Assumed Name (DBA) at a local government office. Before hiring employees, they must obtain an Employee Identification Number (EIN) from the Internal Revenue Service. Vendors and retailers also need to obtain a sales tax identification number from their state's Department of Revenue.

##### English Language Arts

5. Flyers should emphasize that the business is under new management and offers fresh décor and a revamped menu. Visuals should include enticing images of menu items and/or the renovated building.