***You may use Chapter 8 in the textbook to assist you. Write the appropriate letter choice for each question on a separate document and submit the document onto* turnitin.com**

***Economics Unit 3 Review Quiz***

**Multiple Choice –** *Identify the choice that best completes the statement or answers the question*

 1. Which of the following is an advantage of a sole proprietorship?

a. No one is responsible if it fails.

b. It is the least-regulated form of business organization.

c. It is an easy way to make a lot of money.

d. It is easy to get financing to start one.

 2. If a general partnership fails, who is responsible for the debts?

a. anyone who works for the partnership b. all of the partners

c. only the most senior general partner d. no one

 3. A joining of two or more businesses that are involved in different stages of producing the same good or service is called which of the following?

a. vertical merger b. horizontal merger c. cooperative d. conglomeration

 4. Why is it easier for a partnership to borrow money and to hold good employees than it is for a sole proprietorship to do so?

a. The more limited access to a partner’s personal funds make the business more careful.

b. The large number of partners makes it more likely that the business will be a success.

c. The larger number of partners means that people are easier to get along with.

d. A partnership has more personal stability and access to more money.

 5. What is the major difference between a corporation and other kinds of businesses?

a. A corporation is much larger than other kinds of businesses.

b. A corporation is not responsible for its debts if it fails.

c. A corporation has a separate entity apart from that of the owners and workers.

d. A corporation has officers who are responsible for the business.

 6. What are royalties?

a. fees paid to law firms and accountants

b. a percentage of a franchise’s earnings paid to the parent company

c. fees paid to celebrities for using their names

d. a percentage of profits paid to the government

 7. What is a fringe benefit?

a. a cash payment for casual work b. a business other than sales or marketing

c. a payment other than wages or salaries d. an accounting term meaning profits

 8. What are the money and other valuables that belong to a corporation or partnership called?

a. liabilities b. assets c. ownership d. liens

 9. What are organizations that are in the business of benefiting society and operate like a business called?

a. trade associations b. nonprofit organizations c. producer cooperatives d. limited partnerships