

9 Types of Businesses



owner

shareholder

Starting Your Own Business

It's important to have the right kind of business. Owners and **sole proprietors** don't need to work all alone. There are several types of **public** and **private** businesses. You may consider a **partnership** or a **co-operative** first. These options provide more capital. The same goes for **incorporated** businesses.

Corporations allow **shareholders** to exchange money or property for stock. And **LLCs** protect you from financial losses. **Non-profit organizations** assist the needy, so they are taxed at a lower rate. If you want a profit, however, they aren't the best option.



Get ready!

1 Before you read the passage, talk about these questions.

- 1 What are some types of businesses?
- 2 Why is it important to understand different business types?

Reading

2 Read the article. Then, choose the correct answers.

- 1 What is the article mainly about?
 - A how to run a business
 - B why a business needs shareholders
 - C the benefits of a partnership
 - D the different types of businesses
- 2 According to the article, which of the following provides protection from financial losses?
 - A a partnership
 - C a non-profit organization
 - B an LLC
 - D a private business
- 3 What benefit is associated with non-profit organizations?
 - A extra capital
 - B exchange money or property for stocks
 - C paying less in taxes
 - D protection from financial losses

Vocabulary

3 Match the words or phrases (1-8) with the definition: (A-H).

- | | | |
|------------------|---------------------|------------------|
| 1 — shareholder | 4 — private | 7 — incorporated |
| 2 — co-operative | 5 — sole proprietor | 8 — LLC |
| 3 — public | 6 — partnership | |

- A a person who owns a business and is the only one responsible for the company's debts
- B a contract entered into by two or more people in which each person agrees to provide capital and labor in a business
- C a business that is owned by the people who run it
- D to be legally united into one entity, becoming a corporation
- E a business structure in which owners are only partially liable for the business's debts
- F a person or entity that has purchased and legally owns portions of a company in shares or stocks
- G a company that does not offer to sell its stock to the general public
- H a company that sells portions of the company in stocks to the general public

4 Read the sentence pairs. Choose which word or phrase best fits each blank.

1 shareholder / partnership

- A A public company accepts money or property from a _____.
- B My friend and I are thinking of establishing a _____.

2 sole proprietor / non-profit organization

- A As a _____, our revenue goes back to the company.
- B Since I am the _____, I am responsible for this company.

5 Listen and read the article on businesses again. What is the difference between a public and private company?

Listening

6 Listen to a conversation between an advisor and a client. Mark the following statements as true (T) or false (F).

- 1 ___ The woman wishes to start a business selling flowers.
- 2 ___ The man recommends starting a co-operative.
- 3 ___ The woman likes the idea of a non-profit.

7 Listen again and complete the conversation.

Advisor: So, you want to start a business?

Client: Yes. My friend and I want to **1** _____ needy people.

Advisor: Then you may want to consider a **2** _____ - _____. Non-profits are good for helping those in need.

Client: **3** _____ a non-profit organization?

Advisor: Any extra **4** _____ doesn't go to paying employees. It's used to improve the business.

Client: What are the benefits of that?

Advisor: Well, it helps the **5** _____. And you pay less in taxes.

Client: That sounds like a **6** _____ to consider.

Speaking

8 With a partner, act out the roles below based on Task 7. Then, switch roles.

USE LANGUAGE SUCH AS:

I want to ...

You may want ...

The nice thing is ...

Student A: You are a business advisor. Talk to Student B about:

- what business he or she wants to start
- what you recommend
- the benefits of your recommendation

Student B: You are a client. Talk to Student A about business options.

Writing

9 Use the conversation from Task 8 to complete the client's notes.



Meeting with Business Advisor:

Goal of the business: _____

Recommended type of business: _____

Benefits of this type of business: _____