

Module: English for Economic Purposes (English 1)

Level: 1st year Master students

Department: Economic Dep.

University: Tlemcen University

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Lecture one : A SOLE PROPRIETORSHIP

A business may be privately owned in three important forms. These are the sole proprietorship, the partnership, and the corporation. The sole proprietorship is the most common in American business. More than 80 percent of all businesses in the United States are sole proprietorship. Sole proprietorships, however, do not do the greatest volume of business. They account for less than 16 percent of all business receipts. What kind of business is likely to be a sole proprietorship? These small businesses are very often service industries such as Laundromats, beauty salons, repair shops, and restaurants.

A sole proprietorship does not need a lawyer to form a business. The owner can start or stop the business whenever he likes. He also does not need to consult partners or a board of directors, so he can put his policies into effect quickly. He can decide his vacation, salary, hiring, and firing. Besides that, a sole proprietorship has some of the risks.

The most important risk to remember is that it has unlimited liability. The owner is responsible for all business debts. If there is a bankruptcy, he will lose his own personal assets. Another thing to know is that he will not get some of the tax benefits, other types of business get. A book keeper is needed unless the owner can do the book himself.

ANSWER THESE QUESTIONS

A. Complete Answer

1. What are three ways that a business can be privately owned?
2. What form do most American businesses have?
3. What form do most businesses in your country have?
4. Do sole proprietorships make the most money?

- 5 List some businesses that are likely to be sole proprietorships?
6. List some businesses that are not likely to be sole proprietorships?

B.True and False Answer (T-F), if it is False, Correct it!

1. In America, sole proprietorships are less than partnerships and corporations. (.....)
2. A sole proprietorship can be regarded as a big business like service industries. (.....)
3. A bookkeeper is needed unless the owner can do the book himself. (.....)
4. One of the risks to be considered is that a sole proprietorship has limited liability.
(.....)
5. If the business goes down, the owner can bear the bankruptcy with his partner.
(.....)
6. Eighty four percent of all business receipts are from sole proprietorships. (.....)
7. Sole proprietorships account only a small part of all business transactions. (.....)
8. In opening the business, the owner has to consult with his partner. (.....)

C.VOCABULARY: Fill in the blanks with the words listed below:

- Corporation – Forms - Account for – Receipts – Privately – Service - Business

1. A sole proprietorship is very often a small that deals in a service.
2. The industries do not manufacture products.
3. Eighty four percent of all businesses are not from sole proprietorships.
4. Less than 20 percent of American businesses are partnerships or.....
5. Sole proprietorships only a small part of all business transactions.
6. Our bank is not public owned. It is owned.
7. There are three important of business ownership.