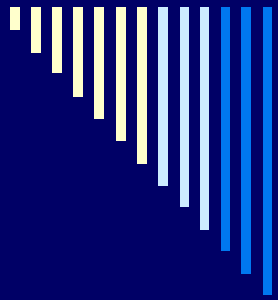


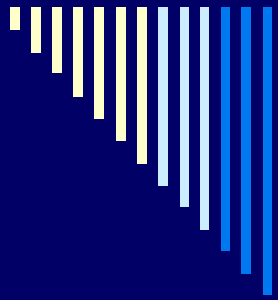

Entrepreneurship

Chapters 33-36



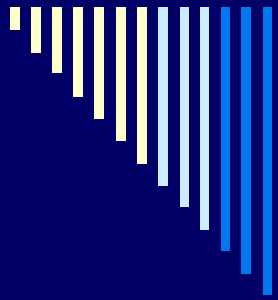
Key Terms

- Entrepreneurship – the process of starting and running your own business
- Entrepreneurs – people who organize, manage, and take the risk of owning and operating a business



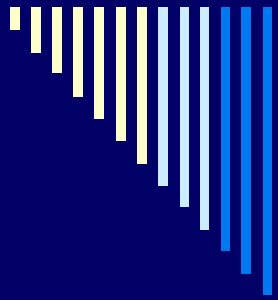
It's a Big Risk

- ❑ Major commitment of time, money and effort
- ❑ More than 50% of new businesses fail in the first year



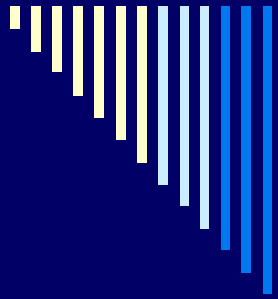
Advantages

- Personal freedom
- Personal satisfaction
- Increased income
- Increased self-esteem
- Be your own boss!



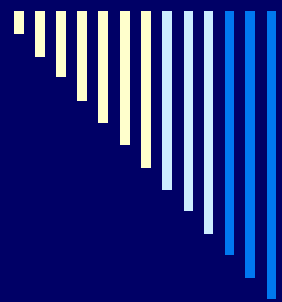
Disadvantages

- ❑ Potential loss of income
- ❑ Long and irregular hours
- ❑ Necessity of strong self-discipline
- ❑ Wear many hats (finance, customer service, product planning, sales)



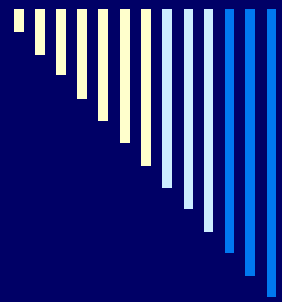
Ways to Start a Business

1. Develop a new business
2. Purchase a franchise
3. Purchase an existing business
4. Take over the family business



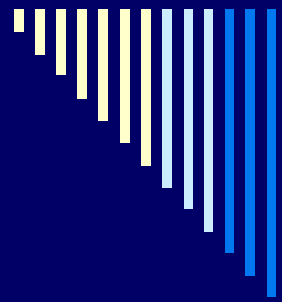
Forms of Business Organization

- Sole Proprietorship – owned and operated by one person
 - Most common
 - Provides money and management
 - Entitled to all profits
 - Responsible for all decisions
 - Personal assets (home, car) are tied to business – *unlimited liability*



Forms of Business Organization

- The Partnership – two or more people agree to be jointly responsible for business
 - Profits divided
 - Losses shared
 - Combines skills
 - Disagreements common
 - Business ends if one partner dies



Forms of Business Organization

- The Corporation – chartered by the state and legally operates separately from owners
 - Any size, run by a board
 - Ownership by shares of stock
 - Limited liability
 - Complex to run
 - Higher taxes