

DP BUSINESS MANAGEMENT - UNIT 1 INTRODUCTION TO BUSINESS MANAGEMENT
 1.2 TYPES OF BUSINESS ENTITIES
 FOR-PROFIT ORGANIZATIONS

Type of organization	Who owns it?	Separation between the owner and the organization?	Advantages	Disadvantages	Examples
Sole traders	Owned by a single person	<ul style="list-style-type: none"> ✓ Owner and organization treated same (Unlimited liability Unincorporated) 	<ul style="list-style-type: none"> ✓ The owner receives all of the profits if the business succeeds. ✓ decision-making is also swift as the owner does not have to consult anyone else ✓ Few legal formalities ✓ Privacy of financial data ✓ Owner receives all the profit 	<ul style="list-style-type: none"> ✓ Unincorporated business with unlimited liability ✓ Limited source of finance ✓ Stress and work load ✓ No continuity 	<ul style="list-style-type: none"> ✓ Freelancer ✓ Gardener ✓ Electrician ✓ Photographers ✓ Hair dressers
Partnerships					

Public limited companies					
Private limited companies					

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 1.2 TYPES OF BUSINESS ENTITIES
 DISTINCTION BETWEEN FOR-PROFIT AND NON- PROFIT SOCIAL ENTERPRISE

Type of organization	Who owns it?	Objectives?	Examples
<i>For-profit social enterprise</i>			
Private sector	owned and run by private individuals and organizations	Profit-making	Apple technology, USA Coca-Cola beverages, USA
Public sector			
Cooperatives			

Non-Profit Social Enterprise

Non-governmental
Organization (NGO)

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