



# Entrepreneurship, Types of Businesses, and Economic Flow

SOL 12a and SOL 12b



## SOL CE.12a

- The student will demonstrate knowledge of the structure and operation of the United States economy by describing the types of business organizations and the role of entrepreneurship.



# Guiding Questions

- What are the basic types of profit seeking business structures?
- What is an entrepreneur?

# What is an Entrepreneur?

## Entrepreneur:

A person who takes a risk to produce goods and services in search of a **PROFIT!**

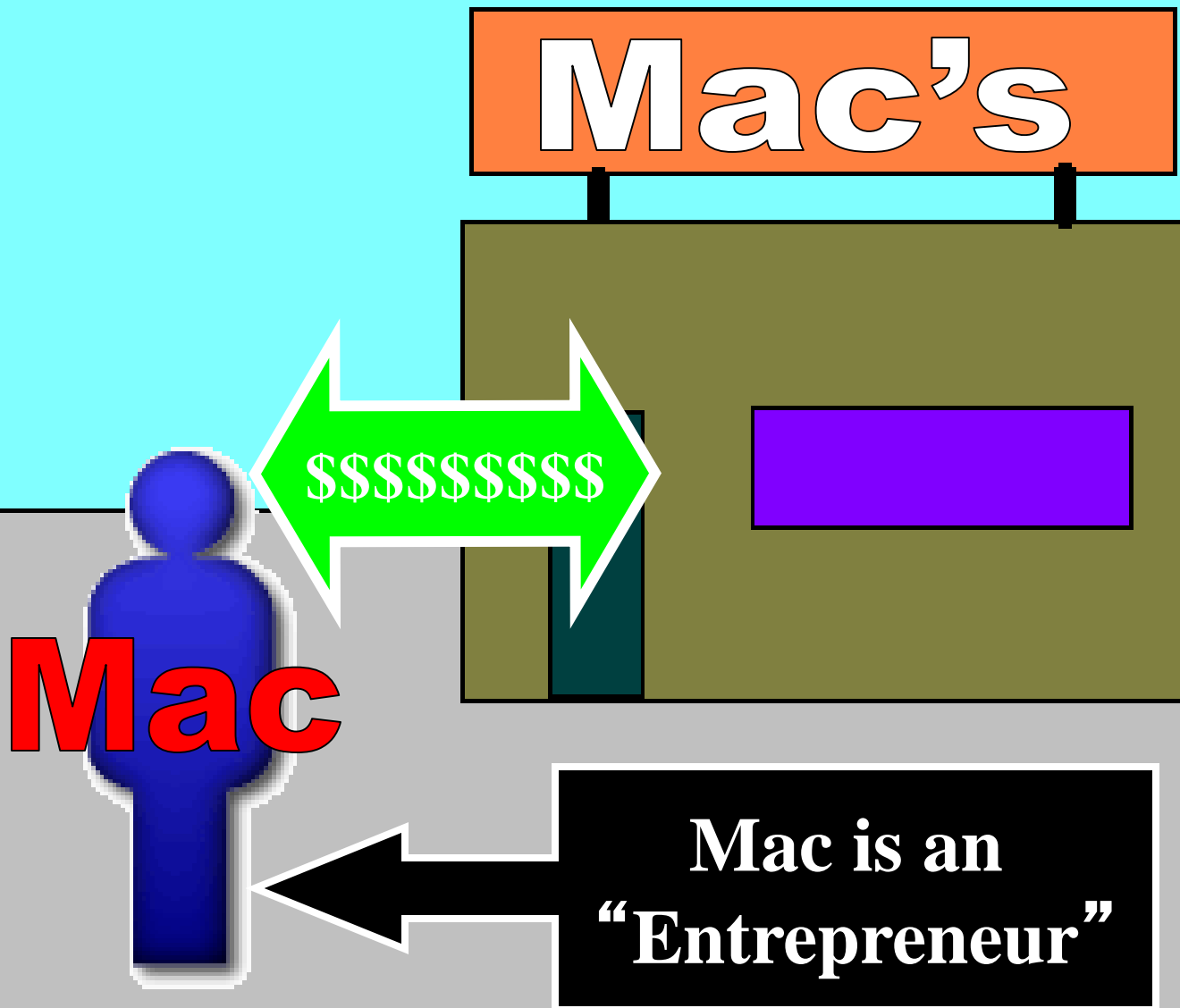
(Someone who starts a business)

Mac's

\$\$\$\$\$\$\$\$\$\$

Mac

Mac is an  
"Entrepreneur"



# Different Business Types



## **3 STRUCTURES OF BUSINESSES**

**1. Proprietorship:**

**2. Partnership:**

**3. Corporation:**

# What is a Proprietorship?

## 3 STRUCTURES OF BUSINESSES

1. **Proprietorship**: One owner who takes all the risks *and* all the profits.

# PROPRIETORSHIP

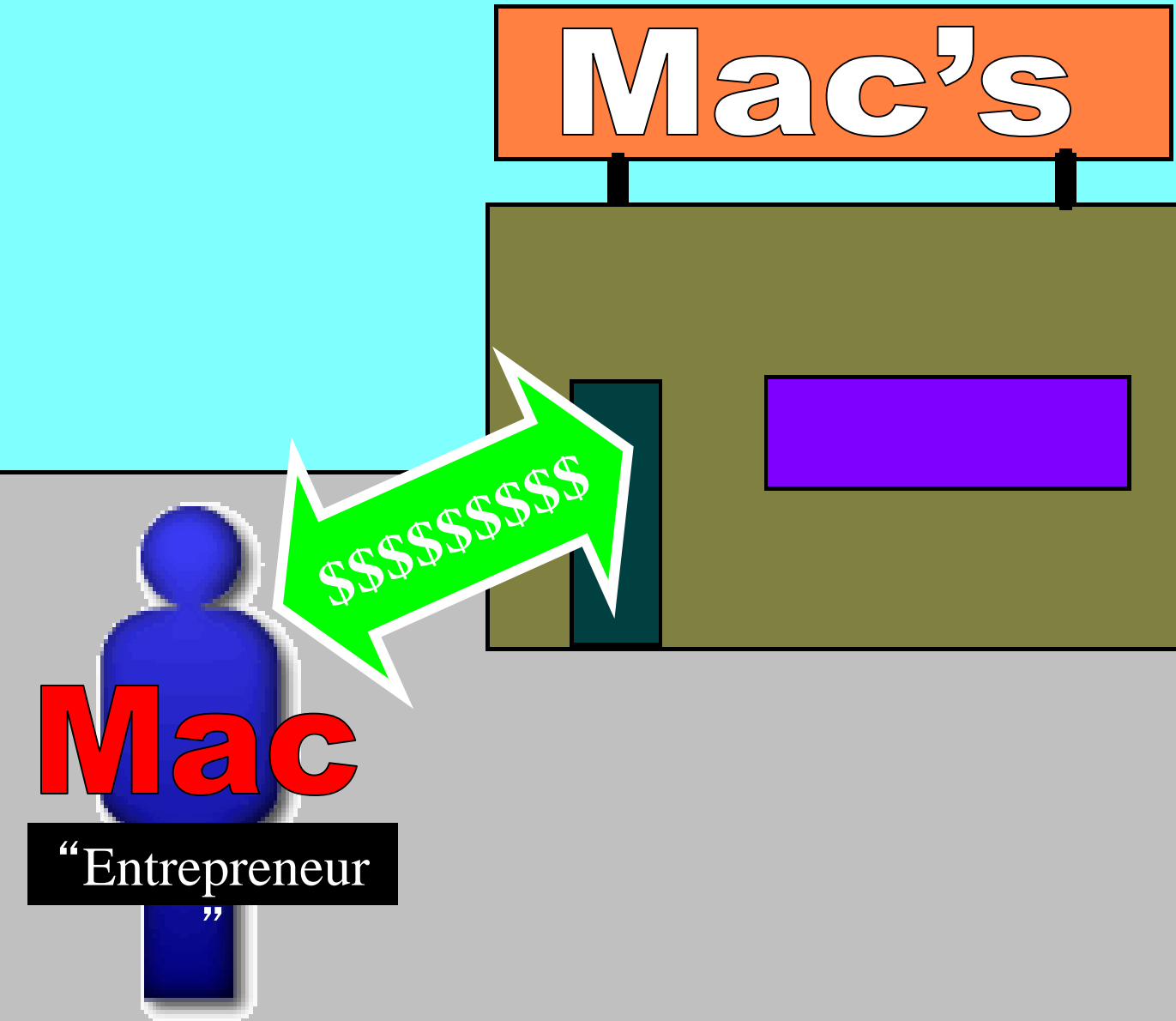
Mac's

\$\$\$\$\$\$\$\$

Mac

"Entrepreneur"

"





# What is a Partnership?



## 3 STRUCTURES OF BUSINESSES

1. **Proprietorship**: One owner who takes all the risks *and* all the profits.
2. **Partnership**: 2 or more owners who share all the risks and profits.

# PARTNERSHIP

Mac & Bob's



Mac

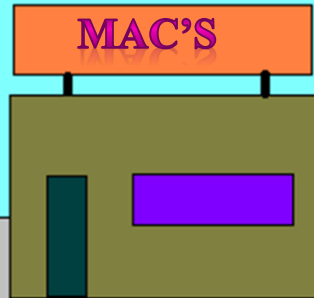
BOB

# What is a Corporation?

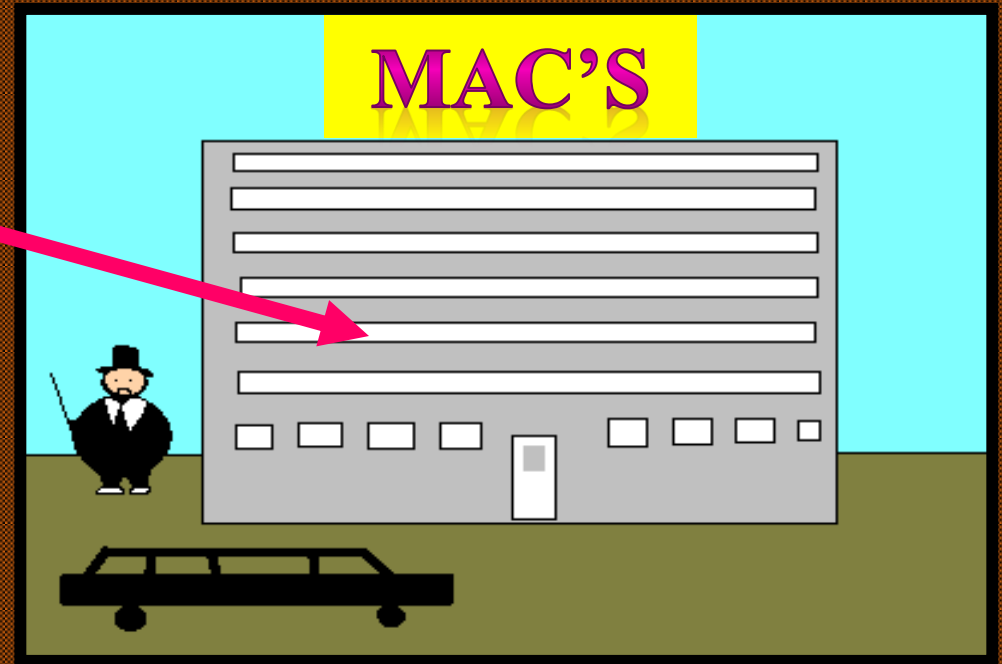
## 3 STRUCTURES OF BUSINESSES

1. **Proprietorship**: One owner who takes all the risks *and* all the profits.
2. **Partnership**: 2 or more owners who share all the risks and profits.
3. **Corporation**: A business authorized by law to act as a legal person regardless of the number of owners. Owners share profits. *Profits depend on how much was invested.*

**Remember Mac?**



**Now, Mac sold stock in his company so he could make his company bigger.**



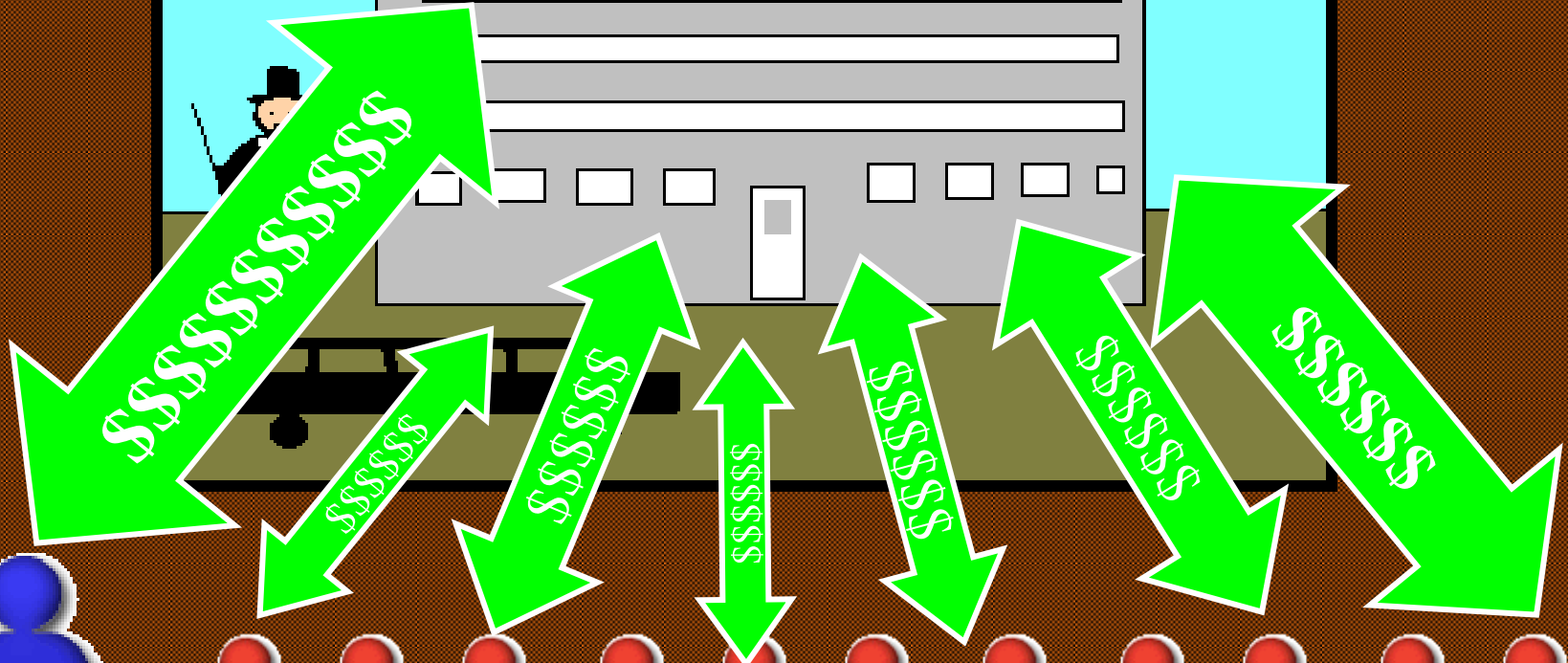
**Mac has now “shared” his company with all the stockholders.**




MAC'S



Stockholders





So the green arrows are pointing both ways because both Mac and the stockholders are investing money into the business and it depends on how much money they invest that they can make in return (a share of the profits).