



NAME	
SECTION	
DATE	
INSTRUCTOR	
TOPIC	
OBJECTIVES	
REFERENCES	

OBJECTIVES: Upon completion of this lesson, the student should be able to:

1. Identify the various types of business organizations.
2. Explain the advantages and disadvantages of each type of business organization.
3. Discuss the legal responsibilities of owners in different business structures.
4. Analyze the factors that influence the choice of a business organization.

DEFINITION: A business organization is a group of individuals who have joined together to provide goods or services to the public. The organization is formed for the purpose of generating profit and providing employment opportunities.

CHARACTERISTICS: Business organizations are characterized by the following features:

- They are formed for the purpose of generating profit.
- They have a legal identity separate from their owners.
- They have a continuous existence.
- They have a transferable ownership.

CLASSIFICATION: Business organizations can be classified into three main categories based on the number of owners and the way they are managed:

1. Sole Proprietorship
2. Partnership
3. Corporation

SOLE PROPRIETORSHIP: This is the simplest and most common form of business organization. It is owned and operated by a single individual. The owner is responsible for all the debts and liabilities of the business.

PARTNERSHIP: This is a business organization owned and operated by two or more individuals. The partners share the profits and losses of the business. There are different types of partnerships, such as general partnership and limited partnership.

CORPORATION: This is a business organization that is a legal entity separate from its owners. It is owned by a large number of individuals called shareholders. The corporation has its own legal identity and is responsible for its own debts and liabilities.

ADVANTAGES AND DISADVANTAGES: Each type of business organization has its own set of advantages and disadvantages. For example, sole proprietorship is easy to start and has low costs, but it has unlimited liability. Corporation has limited liability and can raise large amounts of capital, but it is more expensive to start and has more complex regulations.

FACTORS TO CONSIDER: When choosing a business organization, several factors should be considered, including the amount of capital required, the number of owners, the desired level of control, and the liability risk.

CONCLUSION: The choice of a business organization is a crucial decision that can have a significant impact on the success of the business. It is important to carefully evaluate the advantages and disadvantages of each type of organization and to choose the one that best fits the needs and goals of the business.