

**Unit 3 Study Guide**

1. What are the 3 legal forms of business? \_\_\_\_\_  
\_\_\_\_\_
2. Which form of business is the most common numerically? \_\_\_\_\_
3. Which form of business can sell stock? \_\_\_\_\_
4. What is a dividend? \_\_\_\_\_
5. Explain the difference between limited and unlimited liability. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Explain the difference a general partnership and a limited partnership.  
\_\_\_\_\_  
\_\_\_\_\_

Type of Business Organization	How many owners are there?	What type of liability do owners have?	What is the lifespan of the business?	Who makes the operating decisions?	What type of taxation do owners have?

Type of Business Organization	Advantages	Disadvantages

1. What kind of market structure has many firms and a similar product?
2. Which market structure has very many firms, identical products, and no control over price?
3. Which market structure has few firms and exhibits interdependent behavior?
4. Which market structure is the most difficult to enter?
5. What is a barrier to entry in a market? Give an example.

---



---

Use the chart below to identify the characteristics associated with each of the four market structures.

Type of Market Structure	Number of Sellers	Barriers to Entry (Low/No) or (High)	Price Control	Product Differentiation (Yes or No) if yes, explain how.	Examples

6. List at least three types of non-price competition.

---

7. Which type of market structure has price-takers and which has price-makers? Why?

---



---



---