

Quiz I

- T F 1. There are two basic types of partners: general and limited.
- T F 2. A domestic corporation is incorporated with a national charter from the U.S. government.
- T F 3. Owners of common stock do not have voting rights in the corporation.
- T F 4. A proxy is a legal form that lists issues to be decided and requests that stockholders transfer their voting rights to some other individual or individuals.
- T F 5. Horizontal merger, vertical merger, and conglomerate merger are all forms of external growth.
- _____ 6. A corporation whose stock is owned by relatively few people is called a(n)
a. open corporation.
b. public corporation.
c. close corporation.
d. domestic corporation.
- _____ 7. A merger between firms that operate at different but related levels in the production and marketing of a product is a
a. horizontal merger.
b. vertical merger.
c. conglomerate merger.
d. roundabout merger.
- _____ 8. Limited liability is the most attractive feature of the
a. sole proprietorship.
b. partnership.
c. corporation.
d. S-corporation.
- _____ 9. A corporation that is organized to provide a social, educational, religious, or other nonbusiness service rather than to earn a profit is a
a. sole proprietorship.
b. syndicate.
c. cooperative.
d. not-for-profit corporation.
- _____ 10. The advantages of a sole proprietorship include
a. ease and low cost of formation.
b. retention of all profits.
c. flexibility.
d. all of the above.

Quiz II

- T F 1. A quasi-government corporation is a corporation owned by the government to serve private citizens or firms.
- T F 2. A sole proprietor pays a special tax on business profits to the federal government.
- T F 3. All partnerships have at least one general partner.
- T F 4. A corporate charter typically includes a statement of the rights and privileges of shareholders.
- T F 5. The board of directors is elected by the officers of the corporation.
- _____ 6. Which of the following is a feature of common stock?
- a. It is the most basic form of ownership.
 - b. It usually has a vote.
 - c. It shares in the growth of the company.
 - d. All of the above.
- _____ 7. Pre-emptive rights refer to
- a. owners profiting before common stockholders.
 - b. the privilege of voting for the corporate officers.
 - c. being offered additional stock in advance of a public offering.
 - d. the right to choose company managers.
- _____ 8. A joint venture usually lasts for
- a. a specific period of time.
 - b. an unknown period of time.
 - c. an indefinite period of time.
 - d. an uncertain period of time.
- _____ 9. A conglomerate merger takes place between
- a. a firm and its supplier.
 - b. firms in related industries.
 - c. like businesses.
 - d. firms in unrelated industries.
- _____ 10. An S-corporation is
- a. taxed like a corporation.
 - b. taxed like a partnership.
 - c. taxed like a cooperative.
 - d. not taxed at all.