4) Business Ownership

- Sole proprietorship: business that is owned (usually operated) by one person
  - (+) ease of startup & closure, pride of ownership, retention of all profits, no special taxes, flexibility of being own boss
  - (-) unlimited liability, lack of continuity, lack of money, limited management skills, difficulty hiring

- Partnership: voluntary association of 2+ persons to act as co owners of a business for profit
  - general partner: person who assumes full on shared responsibility for operating a business
  - limited partner: person who invests money in a business but has no management responsibility or liability for losses beyond the initial investment

- special business ownership types
  - corporation: business for profit
  - partnership: voluntary association of 2+ persons to act as co owners of a business
  - sole proprietorship: business that is owned (&usually operated) by one person
  - S-corporation: taxed as though a partnership
  - limited liability company (LLC): combines benefits of corp&partnership while avoiding some restrictions&disadvantages
  - non profit corporation: provide a social, educational, religious, etc service rather than earn profit
  - cooperative: association of individuals/firms whose purpose is to perform some business func for its members

- articles of partnership: an agreement listing and explaining terms of the partnership
  - (+) ease of start up, availability of capital&credit, personal interest
  - (-) unlimited liability, management disagreements, lack of continuity, an investment

- Corporation: artificial person created by law; the legal rights of partnership (start&operate a busi, buy/sell, enter into contracts, bind others)
  - stock: shares of ownership of a corporation
    - common stock: owned by individuals/firms who may vote on corporate matters but whose claims on profits&assets are subordinate to claims of others
    - preferred stock: owned by individuals/firms who usually don’t have voting rights but whose claims on dividends are paid before those of common stock
    - dividend: dist of earnings to stockholders
    - proxy: legal form listing issues to be decided at a stockholder’s meeting & enabling stockholders to transfer their voting rights to other individuals
  - closed corporation: stock owned by relatively few people & not sold to general public
  - open corporation: stock can be bought&sold by any individual
  - domestic corporation: in the state in which it is incorporated
  - foreign corporation: in any state in which it does business except the one in which it’s incorporated
  - alien corporation: charter by a foreign gov & conducting business in the US
  - (+) limited liability (each owner’s liability is amt they paid for corp’s stock), ease of raising capital, ease of transfer of ownership, perpetual life, specialized management
  - (-) difficulty & expense of formation, gov regulation & licensed paperwork, conflict within, double taxation, lack secrecy

- corporate structure: stockholders (owners) > elect board of directors > appoint officers > hire employees
  - board of directors: top governing body of a corp, members elected by stockholders
  - corporate officers: chairman of the board, president, executive vice pres, corporate secretary, treasurer, and any other top executive
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  - joint venture: agreement between 2+ groups to form a business entity in order to achieve a specific goal or to operate for a specific per of time
  - syndicate: temporary association of individuals or firms organized to perform a specific task that requires a large amt of capital
  - merger: purchase of one corporation by another
    - acquisition: large corporation’s purchase of small corporation
    - hostile takeover: management of a corp tries to buy a firm targeted for acquisition disapprovingly
    - tender offer: management invites stockholders to sell their shares
    - proxy: legal form listing issues to be decided at a stockholder’s meeting & enabling stockholders to transfer their voting rights to other individuals
  -horizontal merger: between firms that operate at diff but related levels in production & marketing of a prod
  - vertical merger: between firms that operate at diff levels in production & marketing of a prod
  - conglomerate merger: between firms in completely diff industries

4) Best Employees

- Human Resources Management (HRM): all the activities involved in acquiring, maintaining on-going relation with employee relations, compensation, benefits, and developing (training & development, performance appraisal) an organization’s human resources
  - human resources planning: development or strategies to meet a firm’s future human resources needs; organization’s overall strategic plan, forecast future demand, determined resources avail, match supply with demand
  - replacement chart: list of key personnel & their possible replacements
  - skills inventory: computerized data bank containing info on skills & exp of all present employees
  - laid off: dismissed from workforce until needed again
  - early retirement: people win few years of retirement permitted to retire early w full benefits
  - fired: last resort to rid unnecessary employees
  - cultural (workplace) diversity: differences among people in a workforce in race, ethnicity, & gender
  - job analysis: systematic procedure for studying jobs to determine their various elements & requirements
    - job description: list of elements that make up a particular job
    - job specification: list of qualifications required to perform a job
  - recruiting: process of attracting qualified job applicants
  - training: temporary association of individuals or firms organized to perform a specific task that requires a large amount of capital
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  - horizontal merger: between firms that operate at different but related levels in production & marketing of a product
  - vertical merger: between firms that operate at different levels in production & marketing of a product
  - conglomerate merger: between firms in completely different industries

- performance appraisal: eval of employee’s current & potential levels of performance to allow managers to make objective human resources decisions
  - objective: use some measurable quantity (units of output, dollar vol of sales)
  - judgmental: based on employee ranking or rating scales
  - rating scale: statements given a rating
  - performance feedback interview: results of appraisal discussed w employee after eval completed
  - tell & sell: superior tells employee how good/bad performance has been & persuades employee to accept; tell & listen: superior tells employee what has been right/wrong w performance & gives opportunity to react; problem solving: employees eval their own performances & set their own future goals
  - 360 degree evaluation: collects anon reviews about an employee from peers, subordinates, & supervisors and then compiles reviews into feedback report given to employee
- National Labor Relations Act and Labor Management Relations Act: concerned w deals between #business firms & labor unions