

Business 101 - assignment questions

[Business](#)



Business 101 - Assignment Questions Affiliation: Q Social, economic, and political factors influence both growth and development in the society. In the process, the adopted economic system directs how business owners conduct their business from time to time. The concept of capitalism advocates for private ownership of capital (Bowles, 2013). What this means is that business owners enjoy the discretion of making key investment and profit-making decisions in the society. A twist to this practice is that business owners do hate capitalism.

Capitalism holds business owners accountable for their own actions.

Businesses own up the consequences realized out of their day to day to operations. In the capitalism context, making profits is the key motive of operation. Under capitalism, resources are privately owned, and so are the implications of the underlying activities (Rae & Hill, 2010). To the businesses, these rights and freedoms come at price. Capitalism makes business owners accountable to the society and to the market economy in which they conduct their business. Pollution, taxation, and social responsibility are other key aspects that make business owners hate capitalism. Most importantly, capitalism encompasses business competition, a critical factor that determines the success or failure of a business.

Q. 2

Demand line shows the quantity of a product that would be bought at a given price level. In this respect, changes in market demand will affect quantity of a product demanded in that market. Desirable products correspond to high quantities of demand, and vice versa (McEachern, 2012). on the same note, changes in price affect the quantity demanded of a product. The same principle applies as far as paper and related products are <https://assignbuster.com/business-101-assignment-questions/>

concerned.

A demand line shift to the left for paper follows the above-discussed principle. This move represents a scenario where paper would become a less desirable product. The less desirable a product becomes, the lower the quantity demanded and subsequently bought of that product. The demand line, therefore, would shift to the left to represent a decline in the quantity demanded of paper at a given price level. A left shift in demand line, therefore, is negative. It is attributed to reduced paper demand and a subsequent decline in the price level.

Q. 3

Business entities are required to comply with relevant rules, regulations, or laws. In particular, taxation is a fundamental practice in the economic setting. Federal taxes apply to incorporated business entities, which are treated as separate taxable business entities. In other words, corporations independent from their owners are required to file federal taxes.

Legal business entities such as sole proprietorships, partnerships, and limited liability companies are not taxed as business entities (Spilker, et al., 2013). This is because profits, losses, or deductions are distributed to shareholders or owners, who subsequently file their individual income taxes. Incorporated businesses, corporations, or companies, however, are required to pay federal taxes as legal business entities. In some circumstances, separate taxable entities elect to S corporations and are subsequently relieved off federal tax. Federal income taxes, therefore, apply to those legal ownerships or businesses that are legally separate taxable entities (Spilker, et al., 2013).

References

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Spilker, B., et al. (2013). *McGraw-Hills Taxation of Individuals and Business Entities*. New York: McGraw-Hill Higher Education.