Entrepreneurship

Business

Entrepreneurship Entrepreneurship In sole proprietorship, the business is owned by a single person, who operates it together with his own employee. In fact, it is the simplest form of business organization, but it is risky since the sole proprietor has unlimited liability. One of the main advantages is that the business is easy, and least expensive to establish or dissolve, and the owner has the role to make all decisions and control the entire business operations. Moreover, the owner enjoys all the profits; thus, they are responsible for the obligations and loses. On the other hand, the disadvantages of this form of business relates to the difficulty to raise capital and lack of continuity in situations when the owner is absent (Canada-Saskatchewan Business Service Centre, 2011).

The other form of business is a partnership, which is commenced by a minimum of two or more individual, who owns and manages the business. The partners share unlimited liabilities of the business, and they run the business together. Some of its advantages relate to the ease of raising capital, and partners are jointly responsible for obligations of the business. However, the business has some disadvantages, which relates to the slow decision making and there is a chance of dispute occurring resulting to dissolution of the business.

A corporation is a limited liability business owned by multiple shareholders, who elect the board of directors to run the business. The business is distinct from the owner and they are able to borrow money and sign contracts pay taxes and be sued, while profit is gained from the dividends or appreciation of stock, but they are not liable for the company obligations. Therefore, some of the advantages associated with this business relates to the ability to raise funds through sales of stock, while the shareholders are able to transfer their ownership easily by selling stock. The owner has limited liability; thus, it only covers the value of stock in the corporations. On the other hand, some of the disadvantages relate to the restrictions due to regulations and monitoring by government agencies, thus making it more costly to incorporate compared to other forms of organizations. The profit is taxed by the corporate tax rate, and shareholders' dividends are not deductible from the corporate income.

The limited liability companies are simple, and their liability is limited, thus is allows the entrepreneurs to keep their own assets and finances separate from the business. One of the advantages of the limited liability companies is offering flexibility to owners, and they have the authority to make decisions on their individual contribution to the business operations. Moreover, the managerial duties are segregated equally among the owners based on the experiences. On the other hand, they have a disadvantage related to the tax authorities being recognizing these businesses as structures of non-partnership for tax purposes. In addition, the owners of the business are not obligated to consult with the participants in certain business agreements in order to protect the overall integrity of the company.

The most appropriate form of ownership for an aggressive entrepreneurial firm is the sole proprietorship since the entrepreneur has the chance of exercising his skills of management and leadership without limits (AllBusiness. com, 2007). The entrepreneur can make fast decisions without the need to consult with anyone else. Therefore, an aggressive entrepreneur can realize his full potential through the sole proprietorship form of business.

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