Who Runs It?

Read how ownership and entrepreneurship shape businesses.

CE.12.d "describing the types of business organizations and the role of entrepreneurship;"

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each named business organization, circle words that show who owns or controls it, and number three actions that show entrepreneurship.

A Business Takes Shape

1 Entrepreneurship begins when a person sees a need, takes a risk, and organizes resources to offer a good or service. An entrepreneur might notice that students want affordable bike repairs after school. She could research costs, create a plan, borrow or invest money, buy tools, and invite customers. If the idea succeeds, she may earn a profit. If it fails, she may lose time and money. Entrepreneurs also make decisions about prices, workers, and ways to improve their businesses.

2 A sole proprietorship has one owner, who receives the profits and is responsible for the business's debts. A partnership has two or more owners who share profits, responsibilities, and decisions according to their agreement. In a corporation, shareholders own shares of the business. Shareholders elect a board of directors, and the board appoints managers to run daily operations. A corporation can raise money by selling shares, but it must follow more rules and reporting requirements than many smaller businesses.

3 A cooperative is owned and used by its members, such as local growers who share a market. Members commonly vote on important cooperative decisions, and earnings may be returned to members or used for the cooperative. A franchise lets an owner operate a business using an established company's name, products, and business methods. In return, the franchise owner pays fees and follows company rules. Choosing an organization depends on ownership, control, risk, money needs, and the entrepreneur's goals.

2 ANSWER WITH EVIDENCE

Use the passage

1. Which three actions from paragraph 1 show entrepreneurship? Write any three.

2. How does a sole proprietorship differ from a partnership in ownership and responsibility?

3. Who owns a corporation, and who runs its daily operations?

4. How is control in a cooperative different from control in a franchise?

3 YOUR TURN

Your own words

Invent a business that meets a need in your community. In two sentences, name its business organization, explain who owns or controls it, and describe one entrepreneurial action or risk involved.

ANSWER KEY **Who Runs It?** GRADE 7 · CE.12.d

PART 1 · READ AND MARK

Underline each named business organization, circle words that show who owns or controls it, and number three actions that show entrepreneurship. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Which three actions from paragraph 1 show entrepreneurship? Write any three.	**Answers may include researching costs, creating a plan, borrowing or investing money, buying tools, inviting customers, setting prices, choosing workers, or improving the business.**
2	How does a sole proprietorship differ from a partnership in ownership and responsibility?	**A sole proprietorship has one owner who receives profits and is responsible for debts. A partnership has two or more owners who share profits, responsibilities, and decisions.**
3	Who owns a corporation, and who runs its daily operations?	**Shareholders own a corporation by owning shares. The board of directors appoints managers to run daily operations.**
4	How is control in a cooperative different from control in a franchise?	**Cooperative members commonly vote on important decisions. A franchise owner must follow the established company's rules.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would start a sole proprietorship that delivers repaired sports equipment to families who cannot visit a shop. I would own the business and make its decisions, research repair costs, buy supplies, and risk my own money to test whether enough customers will use the service.

Accept equivalent descriptions that match the passage for Parts 1 and 2. For Your Turn, accept any plausible business type if the student correctly explains ownership or control and includes an entrepreneurial action or risk.