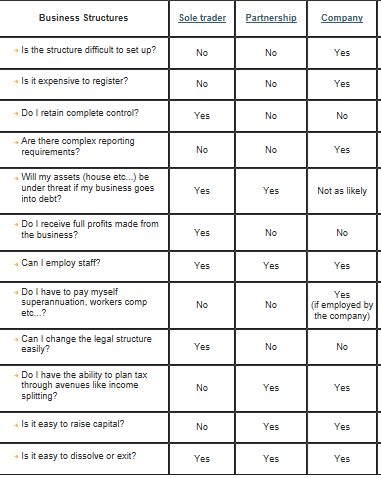
**SELECTING THE APPROPRIATE BUSINESS STRUCTURE**

One of the first decisions you need to make when starting a business is to select an appropriate business structure.





Comparison of sole trader Partnership and Company (SBDC website https://www.smallbusiness.wa.gov.au/business-topics/planning-structures/business-structures/)



STUDENT ACTIVITY

1. Complete the following table:

|  |  |  |  |
| --- | --- | --- | --- |
| **Structure** | **Definition** | **Advantages** | **Disadvantages** |
| Sole Trader |  |  |  |
| Partnership |  |  |  |
| Company |  |  |  |

1. Decide what form of business ownership is most appropriate for each of the following:

|  |  |  |
| --- | --- | --- |
| **Scenario** | **Most Appropriate Ownership Structure** | **Reason** |
| A small bicycle shop that offers personal service and advice by the owner |  |  |
| A national retail chain that would require $589 million dollars to establish |  |  |
| A suburban hairdressing salon |  |  |
| A medical clinic |  |  |

1. Complete the table below to show the ownership structure of each of the listed businesses. *The first one has been completed for you as an example:*

Pinters Pty Ltd Tom Brooks Plumbing

Mark & Mark Communications CGM Ltd

Top Ten Pty Ltd Spencer & Kelly

Grants Catering Wesfarmers Ltd

|  |  |  |  |
| --- | --- | --- | --- |
| Sole Trader | Partnership | Private Company | Public Company |
|  |  | *Pinters Pty Ltd* |  |
|  |  |  |  |
|  |  |  |  |

1. Define unlimited liability.
2. What is ‘incorporation’?