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**ORGANIZATIONAL FORMS,
CORPORATE ISSUER
FEATURES, & OWNERSHIP**

1. A small group of investment professionals is looking to establish a partnership agreement that specifies two of them as general partners and the rest as limited partners. The most appropriate form of partnership is a:
 - (A) limited partnership.
 - (B) limited liability partnership.
 - (C) general partnership.

2. Under a limited partnership, there must be at least:
 - (A) one general partner, and one limited partner.
 - (B) one general partner, and two limited partners.
 - (C) two general partners, and one limited partner.

3. In a partnership, a general partner's liability for the obligations incurred by the business:
 - (A) is limited to the amount invested.
 - (B) is unlimited.
 - (C) depends on whether the partnership is general or limited.

4. Government regulators typically require periodic disclosure of a company's financial performance for:
 - (A) listed companies only.
 - (B) private companies only.
 - (C) both private and listed companies.

5. The owner's liability for the business obligations of a sole proprietorship:
 - (A) is limited to the amount invested.
 - (B) is unlimited.
 - (C) may be limited or unlimited.

6. In a limited partnership, limited partners:
 - (A) typically receive a smaller share of profits than general partners.
 - (B) are responsible for managing the business, but they have limited financial liability.
 - (C) are not involved in business decisions, but they appoint/remove general partners.

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7. With respect to the various business structures, which of the following statements about income taxes is most *accurate*?
- (A) In a limited partnership, all tax due on profits is paid by the limited partners.
 - (B) In a general partnership, income is taxed at both the partnership and partner (individual) level.
 - (C) Under a corporate structure, shareholders have no personal tax liability.
8. Which of the following statements comparing corporations and general partnerships is most accurate?
- (A) Owner liability is only limited under a corporation.
 - (B) Access to capital is easier under a general partnership, given the less complex business structure.
 - (C) Both corporations and general partnerships are separate legal entities.
9. A corporation that wishes to raise equity capital and have its shares publicly traded is most likely to engage in:
- (A) a management buyout.
 - (B) a direct listing on an exchange.
 - (C) an initial public offering.
10. Under which business structure are profits potentially subject to double taxation?
- (A) General partnership.
 - (B) Limited partnership.
 - (C) Corporation.

