**Unit 3 Study Guide Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Block:\_\_\_\_\_\_\_\_**

**Test Date:**

**Business Organizations**

1. What is a sole proprietorship?
2. What are the advantages and disadvantages to having a sole proprietorship?

**Advantages: Disadvantages:**

1. What is a general partnership? (pg. 190)
2. What is a limited partnership? (pg. 190)
3. What are the advantages and disadvantages to having a partnership?

**Advantages: Disadvantages:**

1. What is a corporation? (pg. 195)
2. What are the advantages and disadvantages to having a corporation?

**Advantages: Disadvantages:**

1. Why are corporations considered separate legal entities?
2. What is stock?
3. What is unlimited liability?

**Market Structures**

1. What are the characteristics of pure competition?
2. Give two examples of pure competition.
3. Why are markets in pure competition considered to be price takers?
4. What are the characteristics of monopolistic competition?
5. Give two examples of monopolistically competitive firms.
6. What are the characteristics of an oligopoly?
7. Give two examples of oligopolies.
8. What are the characteristics of a monopoly?
9. Give two examples of a monopoly.
10. Why are monopolies considered price makers?
11. What is a natural monopoly?
12. Why does the government usually permit natural monopolies?
13. What is a barrier to entry?
14. If you were starting your own computer business, what would be two barriers to entry that you would encounter as you start your business?
15. What is a start-up cost? Give one example.
16. What is a patent and why does the government assign them?
17. What is price discrimination?
18. How do profits serve as an incentive for entrepreneurs?

**Government Regulation & Deregulation**

1. What four ways does the government encourage competition in the marketplace? (pg. 173-174, in green)
2. What are antitrust laws?
3. What is deregulation?
4. What industries have been deregulated?
5. Why does the government dislike monopolies and mergers?