

## **STUDY GUIDE**

### **ECONOMICS CHAPTER 3 TEST—FORMS OF BUSINESS ORGANIZATION**

**MR. BAYSDELL**

20 Multiple Choice/Matching  
1 Extended Essay

Terms you should be acquainted with:

Dividend  
Partnership  
Cash flow  
Proprietorship  
Net Income  
Stock  
Collective Bargaining  
Credit Union  
Bankruptcy  
Nonprofit organization

Know the characteristics, strengths, and weaknesses of all 3 main forms of business organization.

Know what "Double taxing" means and which form of business organization suffers from it  
Know the ways that government intervenes in the economy without using fiscal or monetary policy.

Nonprofit organizations may not sell stock, but they do offer goods and services to members.

Know that local chambers of commerce work to promote the welfare of its members and the community.

The principal is the amount of money borrowed when a company sells bonds.

The Interest Rate is the percentage amount each bond generates in revenue for the owner of the bond. The Yield per bond is the amount of money each bond will pay if it is held to maturity.

Be able to explain collective bargaining. It has 4 advantages:

- There is strength in numbers for the union
- It helps win gains in wages/working conditions
- It legitimizes the union
- The threat of a strike usually compels management to negotiate in good faith.

#### **ESSAY: (50% of test grade)**

In an essay of a minimum 2 pages, accept, reject, or modify the following statement:

**"Corporations are useless, unregulated, prone to slow growth, dangerous, inherently unstable, and immoral."**