***Essay Notes***

* **Corporation**- stock holders are the owners
	+ Board of directors control corporation (stock holders vote – 1 vote per stock share)
	+ Most business in USA done by corporations (lots of employees)
	+ *CEO –* highest paid employee
	+ Stock holders (owners) have **limited liability** (loose what invested) *[big advantage]*
	+ Stock holders get dividends *[advantage]*
	+ A legal person – can be sued *[big disadvantage]*
	+ Double taxation *[disadvantage]*
* **Sole proprietorship**- one owner
	+ Owner has unlimited liability *[disadvantage]*
	+ Most popular
	+ If owner dies, business dies
* **Partnership**- multiple owners
	+ All partners own the same amount of the company
	+ Owners have unlimited liability *[disadvantage]*
	+ If one partner dies, the other has to pay off debts (liabilities)
* **Private sector-** is not part of the government *(HUGE part of the economy)*
	+ Coke**-** can sell stock to the public but is in the private sector
* **Dow Jones Industrial Average (DJIA)-** an average of stock price of the 30 biggest corporations in the USA
* **Public sector-** part of the government *(small amount of the economy)*
* **Liability-** debt
* **IPO-** initial public offering
	+ Blue chip stock- a company that makes a lot of profit
	+ “Big Blue” stock – IBM
* **Securities and Exchange Commission (SEC)-** federal agency that regulates the selling of securities
* **Infrastructure-** systems that keep a city alive
	+ Water
	+ Sewage
	+ Roadways
	+ Electricity