***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