

Sole Proprietorship

Advantages

- Easy to start up
- Least regulated form of business
- Owner keeps profits after taxes
- Run business as they want
- Can stop business anytime
- No special taxes

Disadvantages

- Unlimited liability
- Might run out of money-number one reason that these fail or go out of business

Partnership

Advantages

- Easy to start up
- Shared decision making
- Bigger amount of capital to start up
- No special taxes
- Little regulation

Disadvantages

- Unlimited liability
- Might run out of money
- Disagreements between partners

Corporation

Advantages

- Limited liability for owner
- Transferable ownership
- Ability to gain/raise capital- usually has large amounts of capital
- Long life

Disadvantages

- Difficult and expensive to start-up
- Double taxation
- More legal requirements and regulation