

B-14.01

Following is a list describing various features of the corporate form of organization. Match each feature with an appropriate descriptive term, and note whether this feature is an advantage or disadvantage of the corporate entity.

The ability of a company to raise capital by issuing shares to the public

The ability of an existing shareholder to sell shares without corporate approval

The ability of the government to tax corporate earnings and dividends

Periodic regulatory filings

The ability of different individuals to pool resources

The inability of creditors to pursue individual shareholders

The life of the entity can exceed the life of the shareholders

TERMS

Limited Liability

Double Taxation

Perpetual Existence

Transferability of Ownership

Mutual Ownership

Cost of regulation

Publicly traded