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QUESTION

Which of the following is NOT a characteristic of a corporation?

ANSWER

It has unlimited liability for its owners.

EXPLANATION

Correct:

It has unlimited liability for its owners.

QUESTION

Which of the following is NOT a characteristic of a partnership?

ANSWER

Each partner has an equal share in the profits and losses.

EXPLANATION

Correct: Each partner has an equal share in the profits and losses. In a partnership, partners can have unequal shares in the profits and losses.

Incorrect: Each partner has an equal share in the profits and losses.

QUESTION

Which of the following is NOT a characteristic of a sole proprietorship?

ANSWER

It has unlimited liability for its owner. This is a characteristic of a sole proprietorship. The owner is responsible for all debts and liabilities of the business.

QUESTION

Which of the following is NOT a characteristic of a corporation?

It has unlimited liability for its owners.

It has a separate legal identity from its owners.

It has a limited number of owners.

It has a perpetual existence.

QUESTION

Which of the following is NOT a characteristic of a corporation?

It has unlimited liability for its owners.

It has a separate legal identity from its owners.

It has a limited number of owners.

It has a perpetual existence.

ANSWER

It has unlimited liability for its owners.

EXPLANATION

Correct: It has unlimited liability for its owners. This is a characteristic of a sole proprietorship. The owner is responsible for all debts and liabilities of the business.

QUESTION

It has a perpetual existence.

ANSWER

It has unlimited liability for its owners. This is a characteristic of a sole proprietorship. The owner is responsible for all debts and liabilities of the business.

Incorrect: It has a perpetual existence.

QUESTION

Which of the following is NOT a characteristic of a sole proprietorship?

It has unlimited liability for its owner.

It has a separate legal identity from its owner.

It has a limited number of owners.

It has a perpetual existence.

Correct: It has a separate legal identity from its owner. This is a characteristic of a corporation. The corporation is a separate legal entity from its owners.

Incorrect: It has unlimited liability for its owner. This is a characteristic of a sole proprietorship. The owner is responsible for all debts and liabilities of the business.