

## Second Worksheet:

### BUSINESS ORGANIZATIONS AND COMPANY STRUCTURES

#### **1st TASK: FIND THE CORRECT HEADING OR TERM.**

#### **Franchises- Limited Partnerships- Joint Ventures- Sole Proprietorship- Corporation**

Is a business owned and managed by one person. It is the simplest form of business organization with minimal legal requirements. The owner keeps all the profits but also bears unlimited liability for any debts or losses.

Examples:

---

It includes at least one general partner and one or more limited partners. The general partner manages the business and has unlimited liability, while limited partners invest money but their liability is restricted to their investment. This form of business is often used for real estate and investment projects.

Examples:

---

Is a temporary business arrangement between two or more companies that combine resources for a specific project. Each party shares the risks, costs, and profits. Joint ventures are common in international business where companies enter new markets together.

Examples:

---

Is a legal entity separate from its owners, providing limited liability protection to shareholders. It can raise capital by issuing shares and continues to exist even if ownership changes. However, corporations face more regulations and are taxed separately from their owners.

Examples:

---

It allows one party (the franchisee) to operate a business using the name, branding, and business model of another (the franchisor). The franchisee pays fees and royalties in exchange for training and ongoing support.

Examples:

**For each type of business organization, name at least two real-life examples.**

**2nd TASK: LIST AT LEAST FIVE BASIC ADVANTAGES OF A FRANCHISE.**

---

- 1.
- 2.
- 3.
- 4.
- 5.

**Are there any disadvantages of a franchise?**

**3rd TASK: CHOOSE THE EXPRESSION WHICH BEST COMPLETES THE SENTENCE:**

1. Investors ... their assets to buy a controlling block of shares.  
*a- joined b- linked c- pooled*
2. It is difficult for a sole trader to ... with large firms.  
*a- compete b- match c- fight*
3. The Partnership Deed may ... that some partners receive a larger share of the profits than the others.  
*a- stimulate b- stipulate c- set*
4. The amount of money available for investing in business can be increased by forming a partnership of people, who share the profit in agreed ...  
*a- parts b- proportions c- shares*
5. A PLC must first ... its capital.  
*a- build b- raise c- create*

**4th TASK: AT FIRST, READ THE INFORMATION ABOUT DIFFERENT COMPANY STRUCTURES.**

**Hierarchical Structure**

This is a traditional “pyramid” structure with several management levels. Each employee has a clear supervisor and role. It provides order and control but can slow down communication and innovation.

**Flat (Horizontal) Structure**

There are few or no management levels between staff and leaders. It encourages teamwork, quick decisions, and flexibility. However, it can lead to confusion about responsibilities in larger organizations.

**Matrix Structure**

Employees report to more than one manager, usually a functional and a project manager. It allows efficient use of skills and resources but can cause conflicts and stress.

**Divisional Structure**

The company is divided into units based on products, markets, or regions. Each division operates like a smaller company with its own management. It works well for large corporations but can create duplication of work.

**Network Structure**

This modern structure connects independent teams, departments, or even external partners. It offers flexibility and quick adaptation to change, but requires strong communication and trust.

**Task: Work in groups of three**

1. Discuss the advantages and disadvantages of different company structures (hierarchical, flat, matrix, divisional, network).
2. Choose one structure that you think works best for a modern company and explain why.
3. Give one real-life example of a company that uses this structure.

**5th TASK: TRANSLATE.**

annual general meeting- auditor- body corporate- balance sheet-

bankruptcy- bond- contracting or outsourcing- debenture- deed-

dissolve- dissolution- diversity- fortune- go bankrupt- interference-

impinge- incorporate- insolvency- liability- partnership- pool- rate-

ratio- public- retain- share- shareholder- small and middle-sized

enterprises- staff share- stock- terminate- undertaking- wind up

---