

Name _____

The Marvelous World of C Corporations: Unleashing Business Potential

Multiple Choice Questions

1. What is a C Corporation?
 - a) A business structure with unlimited liability for shareholders
 - b) A business structure that can't sell shares of stock
 - c) A business structure where shareholders are protected from personal liability
 - d) A business structure with only one owner

2. What is one advantage of a C Corporation?
 - a) Limited liability for shareholders
 - b) Double taxation
 - c) Inability to raise funds through stock sales
 - d) Unlimited flexibility

3. How are shareholders in a C Corporation protected from personal liability?
 - a) They wear suits of armor
 - b) They pay taxes twice on their income
 - c) They are not protected; their personal assets are at risk
 - d) The corporation shields them from business debts and lawsuits

4. What is one disadvantage of a C Corporation?
 - a) Double taxation
 - b) Unlimited lifespan
 - c) Flexibility in profit distribution
 - d) Simple setup process

5. Why might some businesses choose not to become C Corporations despite their advantages?
 - a) They enjoy paying taxes twice
 - b) They prefer complex structures
 - c) They want more flexibility in profit distribution
 - d) They don't want protection from personal liability

