

Name _____

The Marvelous World of C Corporations: Unleashing Business Potential

Short Answer Key

1. Limited liability benefits shareholders in a C Corporation by protecting their personal assets from business debts and lawsuits.
2. An advantage of the fundraising ability of C Corporations is the ability to gather funds through stock sales, while a disadvantage is potential double taxation.
3. If a shareholder decides to sell their shares or leave the company, they can do so by finding a buyer for their shares or following the corporation's rules for transferring ownership.
4. C Corporations face challenges such as double taxation, complexity in setup and operation, and less flexibility in profit distribution.
5. Answers may vary, but an example could be a technology startup looking to raise significant capital from a wide range of investors. A C Corporation would allow them to sell shares of stock and attract investors.

