

Name _____

Sole Proprietorship with a DBA Name: Unmasking the One-Person Show

Short Answer Key

1. A sole proprietorship with a DBA name offers simplicity in its setup and operation by requiring minimal paperwork and providing the owner with full control.
2. An advantage of the owner being personally responsible for business debts and liabilities is that it allows for simplicity and control, while a disadvantage is the potential risk to personal assets.
3. A sole proprietor has flexibility in choosing and changing their DBA name, allowing them to adapt their business identity as needed.
4. An example of a tax benefit might be the ability to deduct certain business expenses, reducing the owner's taxable income.
5. Challenges for a sole proprietor might include shouldering all responsibilities, making all decisions, and potentially feeling overwhelmed by the workload.

