

Name _____

Unlocking the Magic of Limited Liability Companies (LLCs)

Open-Ended Response Answer Key

1. Answers may vary, but choosing an LLC might be a good option because it offers both personal asset protection and flexibility in how the business is taxed.
2. An example could be a small family-owned restaurant that wants to change its tax structure based on the financial situation each year. The flexibility of an LLC allows them to do so.
3. Someone starting an LLC could seek advice from a business attorney or an accountant who specializes in setting up LLCs to navigate the complexity of the setup process.
4. Having provisions in place for the continuation of an LLC is crucial because it ensures the business can carry on smoothly even if a member leaves or passes away, preventing potential disruptions and legal issues.

