

Name _____

Partnerships in Business: Working Together for Success

Short Answer Key

1. In a general partnership, partners share responsibilities and profits equally. For example, if there are two partners, they each contribute equally to the work and divide the profits 50-50.
2. The main difference is that general partners are actively involved in running the business, while limited partners are investors who don't participate in day-to-day operations.
3. Someone might choose to become a limited partner if they want to invest in a business but don't want to be responsible for managing it directly.
4. An advantage of general partnerships is shared responsibilities and resources, while a disadvantage is unlimited liability, where partners are personally responsible for business debts.
5. "Unlimited liability" means that partners in a general partnership are personally responsible for the business's debts and may need to use their own money or assets to cover those debts.

