**MAIN TYPES OF ORGANIZATIONS answers**

**Comprehension & Discussion:**

*1) Using the text above and your own personal knowledge, what are the advantages and*

*drawbacks of nonprofit organizations and for profit organizations?*

*Advantages and Drawbacks*

*For-profit organization* -Possibility of making money

- the owners of for profit organizations are their own bosses

-liquidity of assets

- taxes on profit

- tough decisions must be made

- public expectations as profitable businesses are now expected to balance

profits with social and environmental

responsibility

*Nonprofit organization* - tax exemption

- eligibility for public or private grants

- limited liability

- cost

-paperwork

- shared control

- scrutiny by the public

- need for funds and volunteers

*2) Give examples of nonprofit and for profit organizations.*

Nonprofit organizations =United Nations Children’s Fund (UNICEF), Homan Rights Watch,

Doctors Without Borders, Museum of Modern Art…

For profit organizations = any business that isn’t specifically organized to be a not-for-profit

organization is a for profit organization: Dell, Sony, Google, Airbus…

*3) What is: a charity, a public company, a state-owned company? Give examples.*

*Charity= charitable organization =* Incorporated or non-incorporated tax exempt body which (1) is created and operated for charitable purposes, (2) employs all its resources to those charitable activities that are under its direct control, (3) does not distribute any part of the income generated for the benefit of any trustee, trustor, member, or other private individual, and (4) does not contribute to or associates with political organizations.

Public company = a firm quoted on a stock exchange

A state-owned company = State owned enterprise (SOE) = A business that is either wholly or partially owned and operated by a government. State owned enterprises are common throughout the world. Pemex, an oil company owned by the Mexican government, is the largest company in Latin America.

*4) Explain the meaning of the word “assets”. What types of assets can an organization have?*

 *Assets = resources. They can be tangible (plants, buildings, equipment…) and*

*intangible (brand, logo, reputation…)*