

Task: Write an analysis essay on the indicated topic

Topic: : S Corporation and Franchise

Type: Analysis essay

Length: 1 page

Formatting: APA

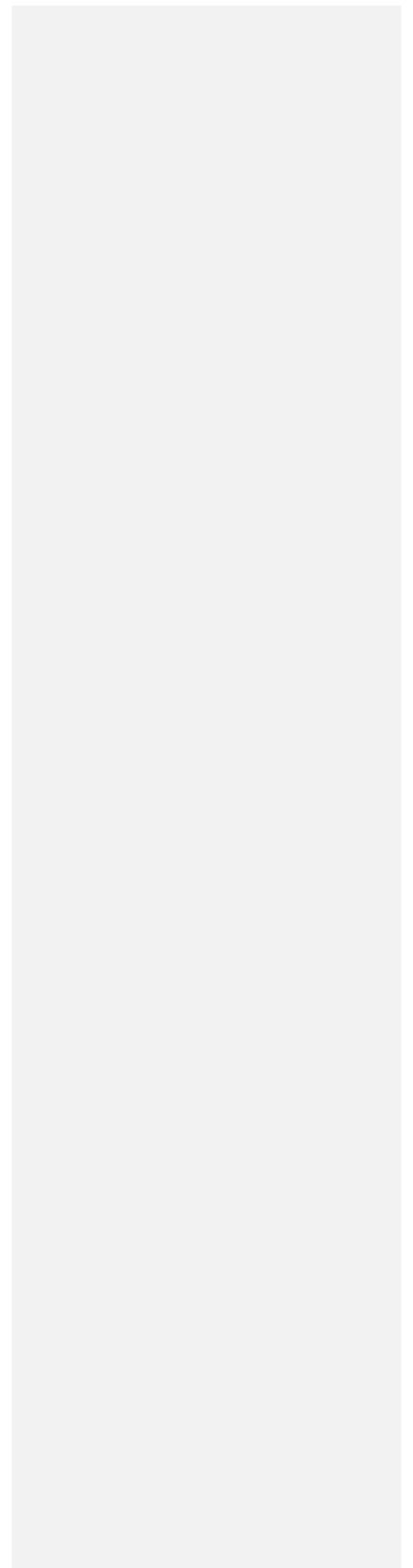
Requirements:

Prepare a 100 word summary on each S CORPORATION AND FRANCHISE in which you provide an example business that you would start for each form. What is legally necessary to file in order to form that business? Discuss at least one of the advantages and one of the disadvantages of that form.

S Corporation and Franchise

Name

Institution



S Corporation

This is a corporation established under the state civil law, through an IRS tax election.

For a business to be considered an S corporation, the owner must first charter a business as a corporation in the state where its headquarters are. S Corporations example in this case would be an advertising company (Schlesinger, 2007). First, to establish an S Corporation, one must determine whether it will qualify under the IRS statutes. Thereafter, one must file it as a corporation and after being considered, the shareholders should sign an application file and attach it with the company's articles of incorporation. One of the main advantages of the corporation is that it allows shareholders report the company's income and losses on their personal returns; thus, avoiding a duplicate tax on the corporate income. On the other hand, the structure has stricter operational processes such as scheduled shareholder meetings, adoption and updates to by-laws among others (Schlesinger, 2007).

Franchise

A Franchise business is a business model that requires one business owner licensing trademarks and strategies to be an independent business. To start a Franchise business, one must understand and comply with the franchising code of conduct, understand the tax obligations, and later establish a Uniform Franchise Offering Circular for the Franchisee prospects (Sherman, 2011). One of the simple Franchise businesses to establish is a fast food outlet. Some of the major advantages of the business are that the owner enjoys an established business advantage, a support and security system, brand advantage and already established customer relationships. On the other hand, it has also has its advantages, the owner has no control of the business, Franchise costs, profits cuts, and risk from other in terms of damaging the reputation of the business (Sherman, 2011).

MostAwfulEssays 9/1/14 11:02 AM

Comment [1]: Which country and state?

MostAwfulEssays 9/1/14 11:03 AM

Comment [2]: Your phrasing is more than awkward.

MostAwfulEssays 9/1/14 11:04 AM

Comment [3]: Where and by whom?

MostAwfulEssays 9/1/14 11:04 AM

Comment [4]: Let's play the missing word game. Which word are you missing here?

MostAwfulEssays 9/1/14 11:05 AM

Comment [5]: Adoption of kids?

MostAwfulEssays 9/1/14 11:05 AM

Comment [6]: Why the capital letter?

MostAwfulEssays 9/1/14 11:06 AM

Comment [7]: There you go with the caps again.

MostAwfulEssays 9/1/14 11:07 AM

Comment [8]: Like what? Being specific is good sometimes, you know.

MostAwfulEssays 9/1/14 11:08 AM

Comment [9]: Your way of forming sentences is something unique to me. Something I would not copy.

References

Schlesinger, M. (2007). *Practical Guide to S Corporations*. CCH.

Sherman, A. J. (2011). *Franchising & Licensing: Two Powerful Ways to Grow Your Business in Any Economy*. New York: AMACOM.

Overall Impression

When reading this paper, I had a constant feeling that the author had little idea what he or she was writing about. Or maybe the author just did not know English sufficiently enough to explain such complicated stuff.