

IB Business Management

Trimester Assessment Worksheet – Types of Business Entities

Worksheet 3: Partnerships

Name: _____ Class: _____ Date: _____

Instructions: Answer all questions. Total marks: 50.

Section A: Multiple choice (10 marks)

Select ONE correct answer (A–D).

1. A partnership is:

- A. One owner only
- B. Two or more owners working together
- C. Government ownership
- D. Public share trading

2. A key advantage of partnerships is:

- A. Shares can be sold publicly
- B. Shared skills and ideas
- C. No disagreements possible
- D. Guaranteed limited liability

3. A key risk of partnerships is:

- A. No workload sharing
- B. Partners liable for each other's actions
- C. No access to finance
- D. No customer contact

4. Many partnerships have:

- A. Limited liability
- B. Unlimited liability
- C. Government guarantees
- D. No legal duties

5. A deed of partnership helps by:

- A. Removing taxes
- B. Setting rules on profit share/exit/disputes
- C. Listing shares
- D. Ending competition

6. Profit sharing in a partnership usually means:

- A. One partner keeps all
- B. Profits are shared (as agreed)
- C. Paid as dividends
- D. Paid by government

7. Partnerships are common in law/medicine because:

- A. No expertise needed
- B. Specialisation and shared advice
- C. They avoid clients
- D. They are always public sector

8. A disadvantage of partnerships can be:

- A. More capital sources
- B. Slower decisions due to consultation
- C. Cover for absence
- D. Wider skill set

9. A partner leaving without agreement can cause:

- A. Clear process always
- B. Disputes over valuation
- C. Automatic IPO
- D. No impact

10. Shared responsibility can increase:

- A. Risk exposure
- B. Guaranteed profits
- C. Customer demand always
- D. Market power always

Section B: Short answer (15 marks)

1. Explain two benefits of forming a partnership rather than being a sole trader. (6)

2. Explain two challenges faced by partnerships. (6)

3. Explain why a partnership agreement is important. (3)

Section C: Data response – Architects forming a partnership (15 marks)

Three architects want to start a design studio. One has strong client contacts, one is skilled in sustainable design, and one manages budgets well. They are concerned about disagreements and the risk of being sued if a project fails.

1. Analyse how combining skills could create competitive advantage for the partnership. (6)

2. Evaluate whether the partnership should operate with a detailed deed of partnership. (9)

Section D: Extended response (10 marks)

Answer ONE question.

1. Discuss whether partnerships are suitable for growth-oriented businesses. (10)
2. Discuss how liability influences entrepreneurs' choices of legal structure. (10)

Answer Key + Marking Guidance

Section A answers

Q	Ans
1	B
2	B
3	B
4	B
5	B
6	B
7	B
8	B
9	B
10	A

Sections B–D indicative content

- Benefits: shared workload, more finance sources, complementary specialisms, cover for absence, better decisions.
- Challenges: disagreements, shared profits, dependency on partner actions/reputation, unlimited liability (often).
- Agreement: clarifies roles, profit split, dispute resolution, exit/valuation rules, decision-making process.
- Case: specialisms improve service range and quality; sustainable expertise differentiates; budget control improves viability.
- Evaluation: deed reduces risk and conflict costs; still requires trust; justify with context.

Assessment rubric (10-mark responses)

Level	Descriptor
1–3	Descriptive; limited terms; weak example; weak judgement.
4–6	Clear explanation; some analysis; relevant example(s); some balance.
7–8	Strong analysis; good case use; both sides; justified conclusion.
9–10	Sophisticated evaluation; key terms integrated; criteria-based judgement.