3. The primary disadvantage of the corporate form is the double taxation to shareholders of distributed earnings and dividends. Some advantages include: limited liability, ease of transferability, ability to raise capital, and unlimited life.

6. To maximize the current market value (share price) of the equity of the firm (whether it’s publicly-traded or not).

7. In the corporate form of ownership, the shareholders are the owners of the firm. The shareholders elect the directors of the corporation, who in turn appoint the firm’s management. This separation of ownership from control in the corporate form of organization is what causes agency problems to exist. Management may act in its own or someone else’s best interests, rather than those of the shareholders. If such events occur, they may contradict the goal of maximizing the share price of the equity of the firm.

8. A primary market transaction.