

Wilf Csaplár Jr. Economics 113 Homework #6 **Due Thursday 10/1 or Tuesday 10/6 by 12:30 PM**

Do NOT write your name anywhere. (Canvas will tell me who turned in the assignment.) All answers must be typed, except for mathematics and graphs. Take pictures of your written answers and use your own software or <https://pdfcandy.com/> to create a single PDF size A4. (pdfcandy.com will convert many file types to PDF, resize PDF, merge PDF and many other things for free. However, Apple phones may require using [CamScanner](#) before using pdfcandy.com.) Failure to follow these directions will cost you 10 points.

- 1) (20 points) Hostile takeovers have a bad reputation. However, they can be good for the economy. Explain what they are and how they can help the economy.
- 2) (20 points) In the 21st century, most partnerships have become LLCs. Explain two reasons why this has occurred.
- 3) (20 points) Is it easier for a large corporation to borrow money or a sole proprietor owned company? Explain two reasons why this is true.
- 4) (20 points) The USA is to have the most liquid stock market. What are two things which led to this. Explain how they make the stocks more liquid.
- 5) (20 points) What are stock options? Explain how they are intended to overcome the principal agent problem.