The Rise of Big Business

New business organization: The corporation is a business with the legal status of an individual.

are **owned by people** **who buy stock, or shares, in the company**

board of directors **makes decisions**

corporate officers **run day-to-day operations**

Corporate organization had advantages.

To expand, a corporation can raise money by selling stock

Stockholders can lose only the amount of money they have invested in the business

A corporation can continue to exist after its founders leave.

Competition in the 1800s was fierce. To gain dominance, some competing companies merged to form a **trust.**

board of trustees ran the companies like a single corporation

When a trust gained complete control over an industry—such as sugar—it held a monopoly.

It had no competition and could raise prices or lower quality at will.