

## Chart of difference between a sole proprietorship and a partnership

Basis of Difference	Sole Proprietorship	Partnership
<b>Meaning</b>	In <b>Sole Proprietorship</b> , there is only one owner, he has all the right of decision making for the business and has to perform all the management work alone.	The <b>Partnership</b> is one of the type of business in which two or more persons/business make a formal agreement between them of sharing business ownership, profits/Losses, responsibilities and duties of the business.
<b>Minimum Number of Member</b>	There is only one minimum number of member is required.	There are two minimum numbers of members are required.
<b>Governed by Act</b>	For this type of business, there is no such act is available.	The Partnership Act 1932
<b>Managed By</b>	This type of business is managed by only one person. It means by is the owner.	This type of business can be managed by all the partners.
<b>Registration</b>	No such requirement.	It depends on partners. If they wanna register their firm then they can.
<b>Share of Profit/Loss</b>	All profit is enjoyed by the owner only and all loss will bear by the owner.	All profit is distributed as per the partnership agreement (partnership Deed).
<b>Decision Making</b>	Because in this type of business there is only one owner so he can take all the decision on its own.	Because in this type of business there is a minimum of two owners(partners) so they have to take all the decision with the clear consent of both.
<b>Fund Raising</b>	In this type of Business, the owner can only raise fund by taking loans from others.	In this type of Business, the partners can raise fund by adding new partners in the firm for some percentage share of profit.