How is a literature review different from an annotated bibliography?
A literature review is written in the style of an expository essay; it comprises an introduction, body and conclusion, and it is organized around a controlling idea or thesis. An annotated bibliography is simply an alphabetized list of sources accompanied by comments. Moreover, while a single source appears just once in an annotated bibliography, it may be referred to numerous times in a literature review, depending upon its importance in the field or relationship to other sources. Finally, a literature review includes its own intext citations and bibliography or works cited list.

How is a literature review different from a traditional research paper?
A literature review may stand alone and be assigned or published as a discrete entity. Or it may constitute one section of a larger research paper or one chapter—usually the first—of a thesis. Whereas the main body of a research paper focuses on the subject of your research, the literature review focuses on your sources. Put another way, in the research paper you use expert sources to support the discussion of your thesis; in a literature review, you discuss the sources themselves.

How is a literature review structured?
Like any expository essay, a literature review should have an introduction, body, and conclusion.

The introduction should contain your research question, an explanation of its significance, and any other background information setting the context of your research.

The body paragraphs contain your summative, comparative, and evaluative comments on the sources you've found. These comments may pertain to
1. historical background & early research findings
2. recent developments
3. areas of controversy among experts
4. areas of agreement
5. dominant views or leading authorities
6. varying approaches to or perspectives on the subject
7. qualitative comparisons and evaluations
8. etc.

The conclusion summarizes major issues in the literature; it also establishes where your own research fits in and what directions you see for future research.
How is a literature review organized?
While covering the range of matters listed above, a literature review—like any expository essay—should still have a single organizing principle expressed in a thesis statement. Some common ones are these:

Chronological — "A review of the literature of the past fifty years shows research on the motivation behind terrorist acts shifting focus from the psychological to the political and now the religious."

Thematic — "While a review of the literature suggests some consensus among researchers regarding the psychological state of most terrorists immediately preceding the commission of a terrorist act, there appears to be little agreement regarding the psychological profile of potential terrorists."

Methodological — "In the effort to understand political extremism, researchers have taken various approaches. Some have surveyed vast libraries of historical literature; others have sifted through stores of church and government data; still others have used the ethnographer's tools of first-hand interview and observation."

Qualitative — "The very concept of religious fanaticism suggests bias, and, while a few serious researchers in the area manage to maintain objectivity, a review of the literature reveals bias in many studies, especially those quoted most often in the popular media."

Note: A literature review is about the existing literature on your subject and provides background for your own research findings or commentary. However, it is NOT primarily about you or your relationship to the literature. Therefore, a literature review should NOT be organized as a narrative of your own research process. A literature review that says essentially "First I found this source, then I found this one ...." is NOT acceptable.