

Companies

Questions to be considered

- Types of companies
- Company performance



Types of companies



Commercial

Non-commercial



The ultimate goal is making profit



Companies are created for social purposes

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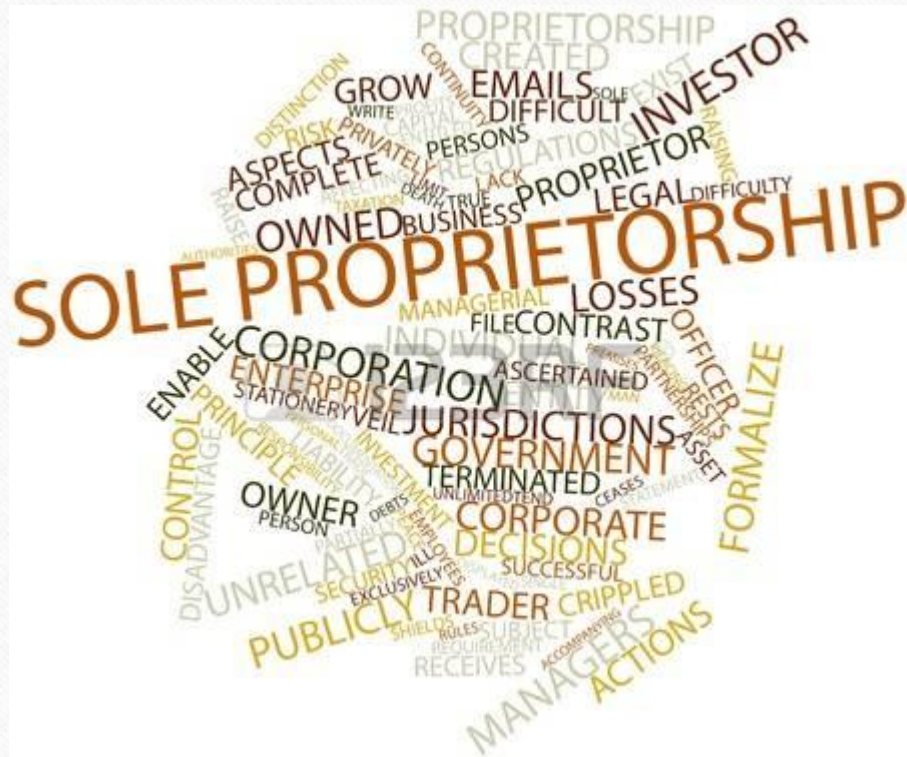
Commercial companies can be also involved in social activities through charity but this is not their core business

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We will mainly concentrate on commercial organizations.

According to the type of ownership in the UK there are distinguished the following types of companies:



Sole trader

Limited company

Partnership



Sole trader

- One person sets up and runs the co
- Provides all the capital and has unlimited liability for business debts



The capital is divided into shares, which are held by shareholders.

Limited company

Private limited company

- All shareholders must agree before any shares can be bought or sold.

Shareholders are the owners of the company, but not its managers.

Public limited company

- Shares are bought and sold freely, for example on the stock exchange.

To manage the company they hire the Board of Directors who are not the owners of the company but only its managers.



Partnership

Unlimited partnership

– if the business fails, they are fully liable for all debts, and may even have to sell personal assets



Limited partnership

– there can be sleeping partners who do not participate in management of the company



Sleeping partners have
limited liability

**We can distinguish companies from the
point of view of their scope**

a small
local
company

a
middle-siz
ed
company

a big,
multination
company

Companies can operate:

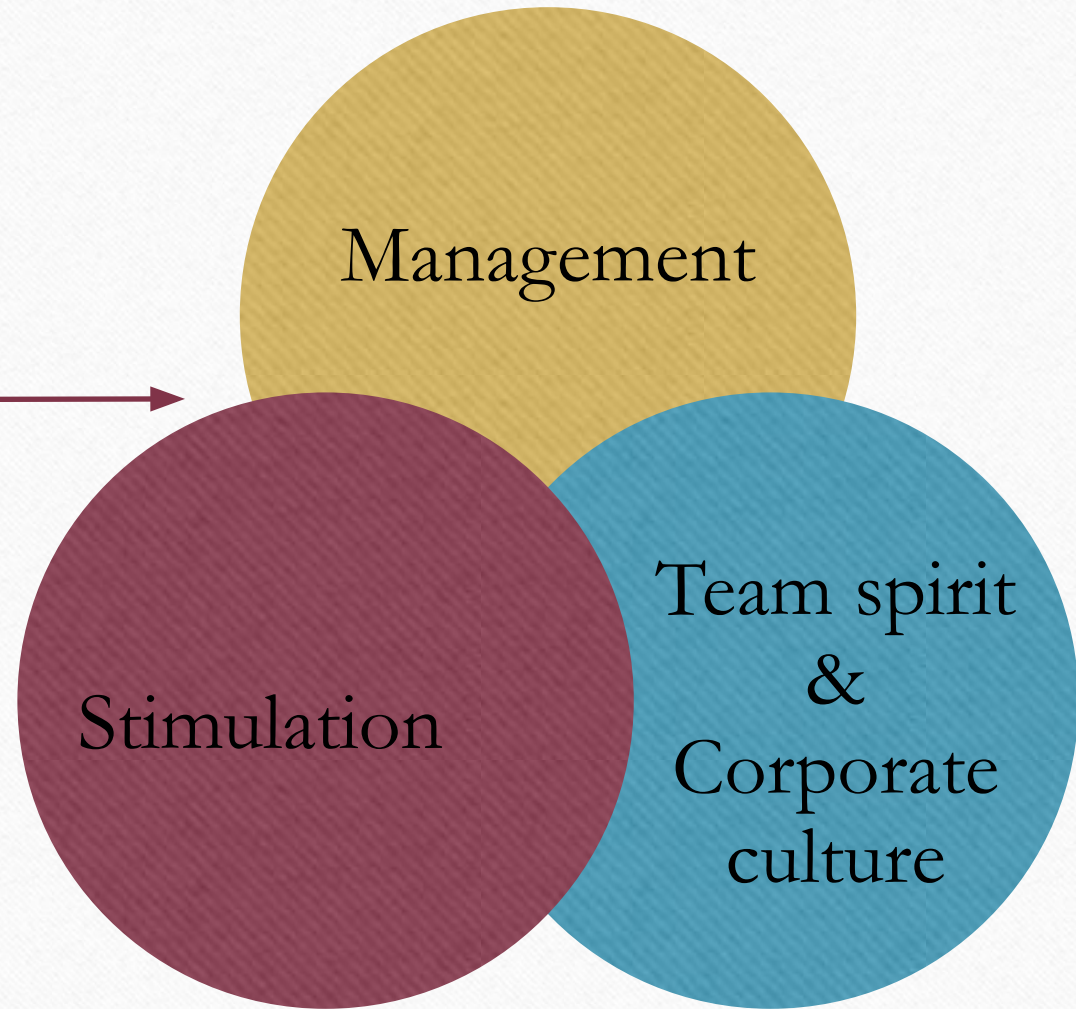
- locally (on a limited territory or in a certain region),
- nationally (within one country),
- internationally (in a number of countries).

The latter are called multinationals. It usually takes much time to become a multinational company.



Company performance

can depend on the following things



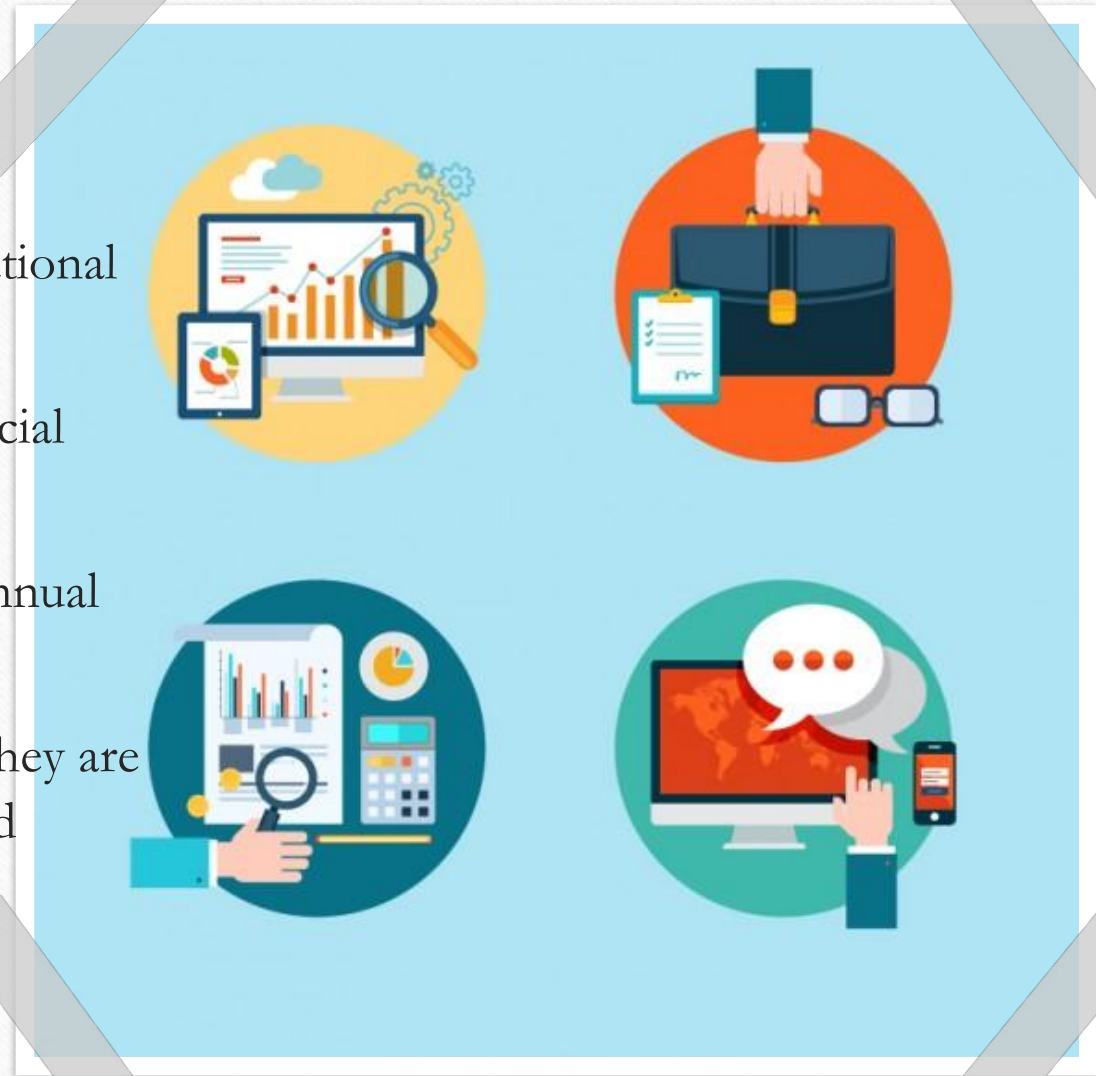
Methods for assessing the effectiveness of the company



- Clipping
- Rumours and talks
- Visiting open press events
- Industrial espionage
- Referring to documents

Summary:

- Management accounts provide data about operational efficiency.
- Financial accounts give information about financial performance of a company.
- A company financial affairs are presented in a annual report.
- A company should regularly evaluate how well they are performing to foresee the possible problems and undertake the necessary measures in advance.



Thank you for attention!
