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EMS TERM 3 LESSON 2

ENTREPRENEURSHIP & ECONOMICS: TYPES OF OWNERSHIP

PRIVATE & PUBLIC COMPANY

EMS TERM 3

TERM 3

LESSON 2 - TYPES OF OWNERSHIP

COMPANIES:

PRIVATE

PUBLIC

PRIVATE COMPANY & PUBLIC COMPANY:

<table>
<tr><th>PRIVATE COMPANY</th><th>PUBLIC COMPANY</th><th>KEYWORDS</th></tr>
<tr><td>Only one director on the board needed</td><td>At least 3 board members required</td><td>Board of directors</td></tr>
<tr><td>(Pty) Ltd</td><td>Ltd</td><td></td></tr>
<tr><td>Can not sell shares to the public</td><td>Can sell shares to the public</td><td>Shares traded</td></tr>
<tr><td colspan="2">The shareholders have limited liability for debts and can only lose the money they have invested in the business.</td><td>Limited liability</td></tr>
<tr><td colspan="2">The business has unlimited continuity and the business can continue to exist if a shareholder dies or retires.</td><td>Unlimited continuity</td></tr>
<tr><td colspan="2">Company acts as a legal entity and can therefore enter into contracts and sue or be sued.</td><td>The company is the legal entity</td></tr>
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ACTIVITY:

	Sole trader	Partnership	Private Company	Public Company
Amount of owners	?	2 - unlimited	1 - unlimited	?
Name restriction	None	?	?	Ldt
The business is a legal entity	?	No	Yes	?
Continuity	No (Limited)	?	Yes (Unlimited)	?
Liability	?	Unlimited	?	limited