



Different Types of Business



Sole
Proprietorship

Business
Ownership

Partnership

Corporation

Cooperative

Companies:

An association of many persons who *contribute money / wealth to a common stock* and employ it in some trade and also *shares the profit and loss*.

TOP INDIAN MNC'S



Companies:

Advantages:

- Limited liability
- More stable
- Easy expansion
- Democratic setup
- Large finance

Disadvantages:

- More legal formalities
- Delayed decision
- Difficult to maintain secrets.



Types of companies:

- *Private Limited companies* – Minimum paid up capital.
- *Limited companies* – Large scale involving huge amount of capital.



Reliance
Industries Limited

Private Limited Company:

- A private company is a *small concern* registered under Companies Act 1956.



Private Limited Company:

- For a company to be private limited it must satisfy the features:
 1. Minimum paid up capital is **INR 1,00,000**.
 2. **Minimum** number of members **is 2** and **maximum is 50** excluding the past employees.
 3. **Restricts to transfer** the shares.
 4. **Prohibits public** participation.

Private Limited Company:

Advantages:

- Can be incorporated with just *two persons*.
- Facilitates *easy formation and easy functioning*.
- *No need to file* with a registrar to act as a director.

Disadvantages:

- Can't expect *democracy*.
- Exempted from conduction *statutory meeting*.
- Can work with *only two directors*.

Limited Company:

- A public company is a *large concern* registered under Companies Act 1956.



Limited Company: (Private and Public enterprise)

- For a company to be private limited it must satisfy the features:
 1. Minimum paid up capital is **INR 5,00,000**.
 2. **Minimum** number of members **is 7** and **maximum is unlimited**.
 3. **No restriction to transfer** the shares.
 4. **Encourages public** participation and capital is collected from public.
 5. Must have **three directors**.
 6. Should send the **financial statement** to the members

Cooperative organization:

- *Voluntary association of persons* for the mutual benefits and aims are accomplished through *self help* and collective effort.
- *One for all and all for one.*



Cooperative organization:

- Every *state government has appointed a registrar* of cooperative societies for registering, controlling and supervising.

Types of cooperative societies:

- *Producer's* cooperative societies.
- *Consumer's* cooperative societies.
- *Farmer's* cooperative societies.
- Cooperative *marketing* societies.
- Cooperative *credit* societies.

Cooperative organization:

Advantages:

- Easy to form
- No obstruction for membership
- Limited liability
- Surplus shared by the members

Disadvantages:

- Lack of secrecy
- Cash trading
- Excessive government interference
- Absence of motivation
- Disputes and differences

Public Corporation:

- *Autonomous corporate body* created by a special act of state/central government.
- It acts as a statutory body to *serve the general public*.



Public Corporation:

Advantages:

- Financed by government.
- Internal autonomy.
- Free from government interference.
- Serves and protects public welfare.

Disadvantages:

- Misuse of power.
- Lack of interest.
- Inefficient operation.



**THANKS FOR
ATTENTION!**