

Business Basic

Lesson 12: Type of Companies

Practice 1 | Guess the company types

Directions: There are some company types mentioned below. Can you tell or guess some details about them? Tell your teacher.

Non-profit organization

Private company

Business partnership

Corporation

Public corporation

Practice 2 | Explaining

Directions: Read the information and try to understand each company type.

Type of company	Definition	Pros	Cons
Non-Profit organization	Provides goods or services without seeking profit.	Does not require minimum capital.	Cannot aim at making profit.
Private company	A company founded by one person or spouses.	Easy to set up. A family business.	The founder of the company is responsible for loss and debt; in the worst case scenario, he might pay it off with his own property.
Business partnership	A company that can have several co-founders.	Can connect several non-related people to establish one company.	Co-founders are responsible for the company. Company does not offer stocks.
Corporation	A company that offers its stocks to other companies or people to buy. A person buying stocks in a corporation becomes involved in ruling the company without necessarily being the president of it.	Usually the company's responsibilities are limited: a company can only pay debts within the company's funds.	Shareholders can decide to change the president or other positions within the company even without the presence of people holding these positions.
Public corporation	A company which is listed on the public market, so anyone can buy stocks.	Potentially many buyers – the company has enough funds to run. Usually liability is limited.	Business accounts are usually public – easily attainable by anyone having shares.

Practice 3 | Review

Directions: Try to solve the following exercises using the information that you've learned in the previous activity.

1. Name the difference between a corporation and a public corporation, regarding the stocks.
2. What is the similarity between a business partnership and a private company?
3. Which type of company does not require a minimum capital nor does it aim at making profit?
4. Name the disadvantage of a corporation.
5. Name one advantage of the public corporation and one of the private company.

Practice 4 | Speaking

Directions: Answer these questions.

1. If you were to establish a company, which type would you choose? Why?
2. Despite the lack of profit, do you think an NGO would bring benefits? What would those be?
3. How do you keep a company successful?
4. Would you prefer to own stocks in a corporation, or be the president? Why?
5. In what line of business would you like to establish a company? Why?