

INTRODUCTION TO COMPANY LAW

The following text introduces the area of company law. Complete the text by using the words in the box below.

**agreements borrow corporations court debts dividends employees
legal legislation liability limited objectives partnership profits property
registered (2x) shareholders sole trader sue**

A company is a entity, allowed by, which permits a group of people, asto create an organization, which can then focus on pursuing set It is empowered with legal rights which are usually reserved only for individuals, such as the right to and be sued, own, hire or loan and money. The primary advantage of a company structure is that it provides the shareholders with a right to participate in the, a proportionate distribution of profits made in the form of a money payment to shareholders, without any personal

There are various forms of legal business entities ranging from the, who alone bears the risks and responsibility of running a business, taking the profits, but as such not forming any association in law and thus not regulated by special rules of law, to the company withliability and to multinational

In a, members „associate“, forming collectively an association in which they all participate in management and sharing, bearing the liability for the firm's and being sued jointly and severally in relation to the firm's contracts or tortious acts.

Limited-liability companies, or corporations, unlike partnerships, are formed not simply by entered into between their first members; they must also be at a public office or designated by law or otherwise obtain official acknowledgement of their existence.