

11 Running a business

Vocabulary

tax liabilities
to raise capital
a share issue
to sell shares at a premium
to sell shares at a discount
to call in one's loan
an annual payment of interest
the loan is secured
a charge over a company asset
a memorandum of association
to conform to EU law
articles of association
it conforms to an authorized pattern
to hold an interest in another firm
assets and liabilities
insider trading
individual proprietorship
organizational fees
net earnings
multinational corporation
to be in charge of the company
a body corporate
a certificate of incorporation
safe custody of documents
a declaration of compliance
a statement of capital
to discharge the debtor from obligations
laws were superseded by a code
to adjudicate sb bankrupt
to keep accounts
to be entitled to remuneration
to dispose of the property
retail business

to set up/start a business
suspension of activities
to issue debentures/bonds
to operate as a sole trader
to pass a resolution
appointment and removal of directors
independent auditor
registered office
to elect a board of directors
double taxation
legal entity, artificial legal person, juridical/juristic person
legal person
legal personality
natural person
register of companies
to be formally in order
articles of association, bylaws
objects
powers of directors
general meeting of shareholders
internal regulations/guidelines
insolvency

to become due
lack of means
trustee/official receiver
to exercise powers
debtor and creditor
to buy shares/stocks on the stock exchange

Definitions

Company (or Corporation)
Limited liability
Insider trading
Ultra vires transaction
Bankrupt
Individual proprietorship

Questions

- 1 Describe the forms in which a business may be run under English law.
- 2 Describe the process of setting up a limited liability company.
- 3 Describe the forms in which a limited liability company may be dissolved.