

# Techno cycle



Partnership: Two or more than two persons forming a company and running that firm on long term basis is called Partnership. Organizational Structure: Organizational structure is a formal design and framework through which job tasks are divided, grouped and coordinated for further assistance. When starting a new venture there might be several types of organizational structures investors will consider. Structure is a very important and crucial step when starting a new business in form of partnership. Since when starting new ventures there are certain financial risks that every business carry in form of failing of business.

By forming partnership the level of risk is reduced among the number of partners. Dissolve partnership is a state in partnership form that if the new partners added or else old partner left the business then what would be the modalities of that. This type of planning is even stated as Dissolution of Partnership. There at times come when there is a situation in which the partners have to decided that whether the business can be run or not. If there is no possibility then mutually decided the will dissolve the partnership agreement.

For partnership dissolution there are certain factors that includes, No longer profits, Partners cannot agree about how to operate a partnership, if there is health related issues of partners that might bring closure of partnership. Since in this case Techno cycle the first two partners have contributed money but they are not willing to go along with the business, so when the business will start generating revenues they should be given the money they have invested plus also compensation for the time they invest in making the

business plan of this venture because without their money the business would not get in workable condition.

The other four members of the team are not able to give time for this venture but are ready for their investment in this project. For such cases they will be the investors of the company but they will not be allowed to interfere in managing the daily business operations. They will solely enjoy the profits in long-term basis. After certain time when Steve and Jan will pay more attention and will get involved in the business they will be actively participating in daily routine operations.

They will be the partners of the venture but they will be receiving the income for the time and services they will render for the company as in partnership agreements it is common. Since Aziz, Adele, Steve and Jan will also contribute \$25,000 in the assets of the business they will have a higher share in equity of the venture. In dissolving of agreement the assets would be disposed of and will be shared in accordance with their investments in assets and equity side.

The liabilities of the company should be paid to every one except the partners, The partners will be repaid with their advances and current balances and they will be paid final amounts due to them on their capital accounts. The share and portion of business will be decided according to the investments and the skills and time required for making this venture workable. The partners will decide that which partner will owe what part of the business. The parts of business could be the Management activities,

Dealing with the wholesalers and suppliers and the issue of financing for certain business activities.

Aziz, Adele, Steve and Jan will be holding the equity side of the business as they are the major investors of this venture and they have financed this venture to become profitable and workable for the long run basis. They can hold their side through shares, preferably Preferred stock would be distributed for their shares in business, which according to details are 15% each. They will have 15% shares in the venture each. This business can also give them ownership of management control and the voting rights so that they can make decisions for their business.

The company also needs to state the authorized share capital through which each partner will have a close picture of what portion of the share has been given to them. Debt side of the firm can be also be distributed accordingly as the remaining two partners Simon and Georgette will be the owner of the debt side since they have not invested cash they will take care of the liability side. Company will issue Treasury notes and revenue bonds to the partners as they have also invested their time and skills into this business.

By having share in debt side of the firm they will receive interest payments for the loan the company has issued to other activities. They can be well entertained if the debtors of the firm will pay regular payments. The first two partners who invested in making the business plan and incurred costs of \$20000 will be having common stocks from the firm so that they can make capital gain on their investments and also share profits of the form by having dividends and cash bonuses from the retained earning of the firm.