Business the whole business. there are strengths and

Businessis a place where making, buying and selling goods and providing services inexchange of money. These businesses have types of ownerships and they are soleproprietorship, partnership and limited company.

Soleproprietorship means only a one person owns the whole business. There arestrengths and weaknesses in this type of ownership. The strengths of a soleproprietorship business are, the owner is possessed all the authority to makedecisions, so the owner no need to talk to anyone, he or she can make anydecision whenever wanted. Another strength is it is easy to start and end asole proprietorship business. With the right amount of capital a person caneasily start a business and in any situation the person can stop the business. Another strength is the owner can get the whole profit by him or herself gainedby the business. Someweaknesses of sole proprietorship business are, the capital used to thebusiness is a less amount comparatively to the partnership business. Anotherweakness is not having good decisions, because the owner has the ability tomake quick decisions and no one to discuss if the idea is good or bad a wrongdecision can be made.

Another weakness is if the business faces any losses theowner has to bare the loss alone. Partnershipbusiness means two or more persons own a business and the maximum limit ofpartners for a partnership business is twenty persons. Strengths of apartnership business are, the capital used to the business if highcomparatively to a sole proprietorship business because more partners meansmore capital.

Another strength is very successful decisions can be made becauseby discussing with partners a very good decision can be made. Another strengthis if the business gets any losses the loss is divided among the partners so aperson no need to bare a huge loss. Weaknessesof a partnership business are, when making decisions fight may arose amongpartners because some partners may not like the decisions of others decisions. Another weakness is the profits are divided among the partners because more thepartners less the amount of profit get by one partner. And another weakness isif a partner did something wrong every partner becomes responsible for the actof that partner.

Alimited company is a business which held on its own rights, meaning the financeof the business is separate from the finance of the owners. A strength of limited company is a largeamount of capital is been invested. Another strength is the liabilities arelimited and the limited liabilities divide among the shareholders. Weaknessesof a limited company are a limited company is not easy to star because it isnot easy to enter the field with competitive companies. Another weakness isfights arose among the director board when making decisions. Question 2 Discuss4 main distinctions/ differences between Financial Accounting and ManagementAccounting.

Accountingis a process of identifying, measuring and communicating financial informationfor the purpose of decision making. There many types of accounting and main arefinancial accounting and management accounting. Financialaccounting is concerned on providing information to the external users ofaccounting information to discharge stewardship. Managementaccounting is concerned on providing information to internal users ofaccounting information for planning, controlling and decision making process. Thereare differences between financial and management accounting and they are, Financial Accounting Management accounting

· Deals with reporting to parties outside the organization. This means presenting the financial data to the public in simple to understand the financial status of the organization. · Details are highly regulated. In financial accounting data are presented through income statement, balance sheet and the cash flow statement, and because the information is released to the public consumption the companies must be very careful in how the data are presented; the calculations, graphs and figures and the order of the report.

· Details presented are simple. As financial accounting data are used by the people outside the organization the data should be understandable to those people so the data are very clear and less revealing. · Use historical data. The financial accounting data are presented on a quarterly or annual basis so it contains data for a defined period of time. · Deals with the parties inside the organization. This means the data are presented to relevant parties who makes decisions of the organization. · Details are unregulated. Management accounting reports are been used internally and so each company has their own system and rules on creating management accounting reports to decision making purpose.

· Data presented are highly detailed. An organization always looks forward to be competitive, so the organization has to take successful decisions. And so the data should be presented clearly with a lot of details.

· May use projections about the future.

Management accounting looks at the past performance of the organization and creates a forecast of the business because to make decisions the data should be informed by this type of accounting data.