

# Sony p.l.c. essay



**ASSIGN  
BUSTER**

I have been asked to do an assignment on Business Studies.

The assignment must be 2, 000 words long. The assignment has to be in for the 1st December and the tutor is Chaz Davies. Sony is leading audio-visual electronics and information Technology Company worldwide. Sony is the second largest music company in the world. Sony is a leading motion picture and television production company worldwide.

They are a co-developer of the CD, DVD, and the super audio CD. Sony is the developer, manufacturer, and the marketer of the Playstation and Playstation 2 consoles. Sony is a publicly held company, with shares listed on 16 stock exchanges worldwide, including Tokyo, New York and London. Sony is a company that has 1035 consolidated subsidiaries worldwide. Most businesses are classified in different ways. The type of the organisation will usually reflect on the size of the business.

Here are some of the different areas that a business might be associated with. Sole Trader Sole Traders is the most common form of business. A sole trader is owned by one person and it might employ several people. A sole trader is the easiest form of business to set up but they are also liable for their debts. If they can't pay their debts not only will they lose the business but they could lose their personal possessions such as homes and cars. This is called unlimited liability.

Some examples of sole traders are mobile hairdressers, a gardener, a plumber or an electrician. Sony P. L. C. might have to deal with sole trader and partnership organisations. Smaller businesses that might supply a small part of a product to Sony P.

L. C. are likely to be sole traders and partnerships. They are likely to be operated in countries like China and Taiwan. Partnerships A partnership can have anything between two and 20 owners within the firm. When raising capital within a partnership it is much easier with the numbers within the firm and partners might be specialised in certain areas.

In some circumstances partnerships could be the best form of business to set up. A 24 hour service might be able to be operated and if one partner goes on holiday or is sick then the business would still be able to cope. A partnership will still be affected by unlimited liability. Some examples of partnerships are accountants, solicitors, and doctors.

Public Limited Companies For a company to start trading firstly it has to register and once paperwork has been approved the company will become a legal body. The owners of a company are the shareholders. Shareholders put money into the company and in return they get shares. The directors of the company can go to the registrar of companies to issue new shares.

If the registrar agrees then this is called the authorised capital. Issued capital is the value of shares that is sold to shareholders. A company may choose not to issue the full value of the authorised capital. Shares can be bought over a period of time. Each stage is called a 'call' and it will take three or four calls until the full amount would have been paid.

The Sony Corporation is a public limited company quoted on the Japanese stock exchange. They trade in over 200 countries and this is only possible because they can raise cash quickly. Private Companies Private companies are usually smaller than Public limited companies. There must be at least

two shareholders, but there is no maximum number. Shares can only be bought with the permission of the board and will not be traded on the stock exchange. The board of directors are set up to responsible and protect shareholders interest.

The board of directors will choose a candidate to be managing director and they will be in charge of the day to day running of the business. Private companies will find it easier to raise cash through selling shares than unlimited companies. Shareholders also have the protection of limited companies. Economies of Scale Internal economies of scale arise when an organisation decides to go bigger. When the organisation becomes bigger the organisation will experience and benefit from the average cost per unit of production is falling as output is rising. This will make the organisation more productive and efficient.

External economies of scale apply to industries where the organisation is operating and organisations can enjoy these economies as the industry expands. External economies are located round particular areas. For example, steel in Sheffield, shipbuilding in Newcastle, and textiles in Lancashire. External economies are sometimes referred to as economies of concentration.

Sony P. L. C. benefit from having large economies of scale.

If the level of economies of scale dropped then Sony P. L. C. profit margin would drop.

Sole traders or partnerships wouldn't be able to manufacture electronic products like Sony because they aren't large enough to deal with the economies of scale a multi national company can deal with.