

Business environment assignment

[Business](#)



Business organisations can be divided mainly into two sectors: The public companies including public limited companies or plc and government agencies Example: NHS, Police etc. The private companies are run by an individual or group of persons; including sole trader, partnership companies and franchises, charities. The private sector which is formed by the sole traders, partnerships, companies and charities. The sole trader is the most popular form of business ownership.

This kind of business is managed by only one individual who puts all of his savings and his time into making it a success. He is his own boss but it also has a negative aspect which is that he has to deal with a lot of responsibilities in term of unlimited liabilities as there are a lot of risks. But they are the type of business which are easy to set up. For example window cleaning or restaurants are some of them. At this point of view it seems that they are what it is called business venture because if things go well or wrong it is up to the owner.

It means that owner invests his own money and he is responsible for any lost but in case that the business goes well he will enjoy the profit. Partnerships can be run by two or twenty people. There are also responsible in case of lost if there is no deed or article. There can be exceptions for some forms of partnerships such as big accountancy firms whose partners also enjoy limited liability. This means that they can only loose the amount of money that they have invested even if the business goes bankrupt.

Example: Companies are owned by shareholders who choose Directors to give direction o the business. The Chief Executive has the responsibility of making the most important decisions. Specialist Managers will be appointed <https://assignbuster.com/business-environment-assignment-essay-samples/>

to run the company on behalf of the Board. Shareholders put funds into the company by buying shares. Every company must register with the Registrar of Companies, and must have an official address. Private companies have Ltd after their name. They are normally smaller than public companies. Shares in a private company can only be bought and sold with permission of the Board of Directors.

Franchises are businesses in which someone gets formal permission given by a company to sell its goods or services in a particular area. The franchisees have duty to comply with franchisors requirement in term of business standard maintenance and quality of services. The charities or non governmental organisations are the non profit making organisations, those are the kind of business which are mainly service providers. They have also a legal identity and there are accountable to the charities commission.