Public limited company

In many eyes, the most appropriate form of ownership for a form or a business would be a public limited company or a PLC. A public limited company always tends to be a larger type of company. This is generally a good thing. In a large company it is almost always more stable. The most important advantage of having a large company is more specialized workforce. For example, in a small company people tend to multitask rather than be specialized. For example, in a restaurant, a small company may order the staff to be the cashier and serve the food.

On the other hand, in a large company can afford to have a man on the cashier, three waiters, a doorman etc. Also, the shares can be bought and sold by the public in the stock market. This means that one does not need to consult the owner to sell the shares while on the other hand in an LTD the shares are usually are sold between friends and with the owner's permission. A PLC is a relatively safe form of capital for a business; this is very important and is a major advantage in a company. There are many advantages in having a public limited company, among those pros are that there is limited liability among members.

This means that a person's financial liability is set to a fixed sum. Second of all, if one of the owners dies, the company continues running. This is not the case in partnerships and many other forms of ownership. This is good because there isn't another problem in the business, except one of the owners dying of course. Another amazing advantage is that a PLC can raise huge amounts of money from only selling shares to the public. This is very important because if the company needs funds, they could just sell the shares and raise an enormous amount of money.

If that isn't enough funds then the PLC should ask a financial institution, such as a bank or a private lender, to loan them a sum of money because those institutions are much more willing to lend to PLC's because of their size. Another important advantage of a public limited company is that production costs should lower as firms may gain economies of scale. In layman's terms, the common phrase " The more you buy, the more you save" explains this advantage very well. Going on to another advantage that a PLC has is that because of its colossal size, a majority of times, dominates the market.

This may well lead to increased profit. PLC's are known for its good liquidity. Liquidity is defined as how well an asset can be converted into cash. This is good to have in a business just in case. To add to the list of advantages, there is a very easy access to capital, this sparks an interest in many people. Last but not least, there is a bigger margin of profit and tax advantages in a PLC than arguably in any other form of ownership. In conclusion, there are many advantages in a public limited company and, in my opinion, is the best ownership for a firm because of all the advantages.

There is an easy access to capital, easy liquidity, value of shares, profit & tax advantages, limited liability among members, if the owner dies the company continues running, big amounts of money can be brought from selling shares, production costs lower over time, bigger size, therefore dominates the market and last but not least PLC can get a loan much easier because of their size. All of these advantages talked about above, one can see why a public limited company would be best to run a firm.