5-12-2021

Assignment 1

1) 4 medical practitioners are planning to set up their own practice, compare and contrast Traditional partnership VS LLP. Give your suggestion.

→ 1) LLP is a form of partnership where the liability of partners is limited as well any of the partners will not be help liable for the acts of other partner. General Partnership on the Other hand brings unlimited liabilities to the partners concerned and so they are all liable for the debts.

2). Partnership refers to an arrangement wherein more two person agree to share everything regarding to business mutually. Limited Liability Partnership (LLP) has feature of partnership and is a seprate legal entity.

~~3) As Partnership's Business has to registor itself where~~

3) Registration is not mandatory for business which involves partnership. Wheras LLP Agreement Business needs to compulsory registar itself.

4) As Partners are collectively known as firm so there is no separate legal entity so they can chose name themselves but name of an LLP ~~Comp~~ firm should have LLP as suffix

5) Property in traditional partnership ~~can~~ not in name of firm in LPP can be held in firm's name.

By looking at this comparision The medical practitioners Should start practice as traditional partner.

2) Mr. Parsham Lodha the new CFO is of the perspective that shareholders give more value to corporations which have higher earning What's your opinion about this views.

→ ~~I ag~~ Share holder value management's ability to increase sales, earnings and free cash flows which increases dividend if the company offers and shareholders capital increases. Strategic decision made by its board of directors and seniors. this decision agenerate ahead. I partially agree to CFO Lodha's perspective that shareholders give more value to corporation which have higher earning but (EPS) Earning per share i.e earning avaible to common share holder to common stock shares is a main indicator of sharholder value. So hinger earning mean higher EPS and shareholder gives this more value

4 Explain the difference between private Ltd and public LTd.

→ (1) A public limited Company is listed on recognized Stock exchange and Stocks are traded publicly whereas public limited company is neither listed on the stock exchange and nor are traded.

(2) Seven members atleast are required to start a public company. Private limited requires 2 members

(3) Public company will require a certificate of commencement post incorporation to begin its operation. In contrast a private can start its business right after incorporation

(4) Public limited can transfer shares freely while in Private limited share's transfer is restricted

(5) Scope of Private limited is limited while Public limited is vast owners can raise capital from general public

(6) Burden on Public is more as they have to make huge information available to public compared to private.

5) Explain operating lease and Financial lease.

→ Under an operating lease the owner of asset will retain most of the risks associated with owning the assets. The lease will be for a period substantially shorter than the likely life of asset. Under Finance lease the lessee is in a similar position to buying the asset outright, but financing this by paying rent rather than by paying lump sum up front