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## Assignment

1) The medical practitioners should go for LLP (Limited liability Partnership).
If the people interested in doing a business are interested in and want to enjoy the features of a company should gor for LLP.

- Advantages :
i). liability is restricted to the contribution the partner/person has made.
ii) Easier to register. The requirements for LLP registration is basic and easy to understand.
iii) No minimum ~~ca~~ capital is required.
iv) Easy to operate.
v) Separate legal entity.
vi) Protection from debts — Personal assets remain safe.
vii) Partner not responsible for the act of another partner.

- As a new set up the partners would face many difficulties. In LLP the difficulties would be less as compared to traditional partnership.

- Disadvantages which the practitioners would face in traditional Partnership :
i) Liabilities.
ii) Loss of autonomy
iii) Difficult registration processes.

Therefore, according to me they should go for LLP.

② I agree with Mr. Darshan Lodha. Shareholders give more value to corporations which have higher earnings. Companies /corporations with higher earnings have free cash flows, which leads to increase in dividends and capital gains for the shareholders. Shareholders will obviously prefer companies which earns more as it would give higher dividends to them.

④ ~~③~~. Public Limited Company:

- It's listed on recognised stock exchange and the stocks are traided successfully.
- It is compulsory to call a statutory general meeting.
- The scope is vast.
- ~~Comp~~ Term used at the end is 'Limited'.
- Maximum no. of members it can have is unlimited

· Private limited company:

- Is neither listed on stock exchange nor are they traded.
- No compulsion to call a statutory meet.
- Transferability of shares is restricted completely in private limited.
- Term used at the end is 'Private limited'.
- Maximum no. of members it can have is 200.

(5) Advantages of Proprietorship:

i) Easy to Establish – doesn't have any specific registration requirements.

ii) Easier to opperate :– can make a sole decision insted of plethora of decisions.

iii) Privacy – more private when compared to a company.

iv) Compliance requirements are minimal.

• Disadvantages of Proprietorship:

i) Unlimited Liability – ~~it~~ + coz there are no partners.

ii) Raising capitals can be challenging.

iii) Lack of financial control and difficult tracking expenses.

(7) Financial lease:

- With a finance (capital) lease, the owner buys the vehicle and rents to the user who will have a purchase option at the end of the lease. The lessee will not face a high upfront cost as when purchasing the vehicle outright.
- The term of agreement is normally for the useful liferspan of the asset.

• Operating lease:

- The difference between an operating lease and a finance lease is that the user will not be able to buy the vehicle during the period of the lease.

- The user has access to the vehicle for a set time period in return for making regular monthly payments.
- Vehicle maintenance may be built into the payments.

⑧

i) Convertible :

- A convertible bond is a type of debt security that provides an investor with a a right or an obligation to exchange the bond for a predetermined number of shares. Similar to regular bonds, a convertible bond comes with a maturity days and pays interest to investors.

ii) Warrant :

Warrant are a derivative that give the right, but not the obligation, to buy or sell a security - most commonly an equity - at a certain price before expiration.

iii) Convertible bonds allow investors to exchange the bonds for a stated number of shares of the firm's common stock. This conversion feature offers investors the potential for higher returns if the price of the firm's common stock rises. Because of this feature, the bonds can be issued at higher prices.

iv)
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i) Borrowing from banks
ii) Trade credit
iii) Instalement credit
iv) Consumer credit
v) Accounts receivable financing.
vi) Sell ownership shares
vii) Tax provision
viii) Commercial bank loans
ix) Secured private loans.

3 Mr. Kevin should subscribe for Convertibles, if he sees potential growth in the company. If he wants a decision making power, if he can lead and assist the company he should apply for PSC too.