5 Lecture - MGT211

Important Subjective

1. What is a joint stock company?

Answer: A joint stock company is a type of business organization in which the capital is divided into shares and held by shareholders. It is a legal entity separate from its owners and is managed by a board of directors.

- 2. What is the minimum number of shareholders required to form a joint stock company? Answer: The minimum number of shareholders required to form a joint stock company is two.
- What is the liability of shareholders in a joint stock company?
 Answer: The liability of shareholders in a joint stock company is limited to the amount of their investment in the company.
- 4. What is the role of the board of directors in a joint stock company?

 Answer: The board of directors manages the affairs of the joint stock company.
- 5. What is an IPO?

Answer: IPO stands for Initial Public Offering, which is the process of selling shares in a joint stock company to the public for the first time.

- 6. What is the maximum number of shareholders allowed in a private joint stock company? Answer: The maximum number of shareholders allowed in a private joint stock company is 50.
- 7. What is the process of transferring shares in a joint stock company?

 Answer: The process of transferring shares in a joint stock company is called share transfer.
- 8. What is the role of auditors in a joint stock company?

 Answer: The role of auditors in a joint stock company is to audit the financial statements of the company.
- 9. What is the difference between a private and a public joint stock company? Answer: A private joint stock company has a maximum of 50 shareholders and cannot sell shares to the public, while a public joint stock company can have an unlimited number of shareholders and can sell shares to the public.
- 10. What is the minimum amount of capital required to form a joint stock company?

 Answer: There is no minimum amount of capital required to form a joint stock company.