

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.

3. **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.