

# 6 Lecture - MGT211

## Important Subjective

- 1. What is a joint stock company?**  
Answer: A joint stock company is a type of business organization where the capital is divided into shares and held by shareholders.
- 2. What is the role of the board of directors in a joint stock company?**  
Answer: The board of directors is responsible for making strategic decisions and overseeing the management of the company.
- 3. What is the difference between a private and public joint stock company?**  
Answer: A private joint stock company cannot sell shares to the public, while a public joint stock company can sell shares to the public.
- 4. What is an IPO?**  
Answer: An IPO (Initial Public Offering) is the first time a company offers shares to the public.
- 5. What is the liability of shareholders in a joint stock company?**  
Answer: The liability of shareholders is limited to their investment in the company.
- 6. What is the purpose of an audit in a joint stock company?**  
Answer: The purpose of an audit is to provide assurance that the financial statements are accurate and comply with accounting standards.
- 7. How is ownership transferred in a joint stock company?**  
Answer: Ownership is transferred through the sale of shares.
- 8. What is a shareholder's right to vote?**  
Answer: A shareholder's right to vote allows them to vote on important decisions, such as electing the board of directors.
- 9. Can a joint stock company have more than one CEO?**  
Answer: Yes, a joint stock company can have multiple CEOs.
- 10. What is the difference between authorized and issued share capital?**  
Answer: Authorized share capital is the maximum amount of shares a company can issue, while issued share capital is the number of shares that have been issued and are in the hands of shareholders.