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.