

Subject: Commerce

Topic: Types of limited company

Level: S.4

Background information:

This is the second lesson in a series of six. This lesson (35 minutes) is divided into two parts. Students have learnt different types of private enterprise and the meaning of liability of owners in limited company.

Learning objective:

1. Content objectives:

Students should be able to

- i. classify limited company into two types,
- ii. compare and contrast the two different types of limited company.

2. Language objective:

Students should be able to write a short paragraph using appropriate connectives to compare and contrast the two types of limited company.

The Text (for Task 1, taken from Introductory Commerce 1, published by Longman Hong Kong Education, page 204):

Types of limited company

Every company incorporated in Hong Kong is either a private limited company or a public limited company.

1. The private limited company

A private limited company (私人有限公司) is called private because its shares cannot be sold to the public. It must have between 2 to 50 shareholders who can only sell their shares to the shareholders in the company with the agreement of other shareholders. Many private companies, which are family businesses in Hong Kong, are set up to obtain capital, without losing control of the business. Instead of disclosing its financial report to the public, a private limited company just needs to send it to the Companies Registry (公司註冊處) for filing.

2. The public limited company

There is no upper limit for the number of shareholders in a public limited company (公眾有限公司或公共有限公司), but there are at least two shareholders. In Hong Kong, a public limited company can go public by applying to the Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司) as a listed company (上市公司). Since shares are sold to the general public to raise capital, there are usually many shareholders. Before shares are offered for sale, the company decides how much capital it needs and therefore how many shares in the company are to be sold. After going public, the general public can buy and sell the shares of the company in the stock market. The company needs to disclose its financial situation to the general public every year.

S.4 Commerce
Types of limited company
Worksheet 1

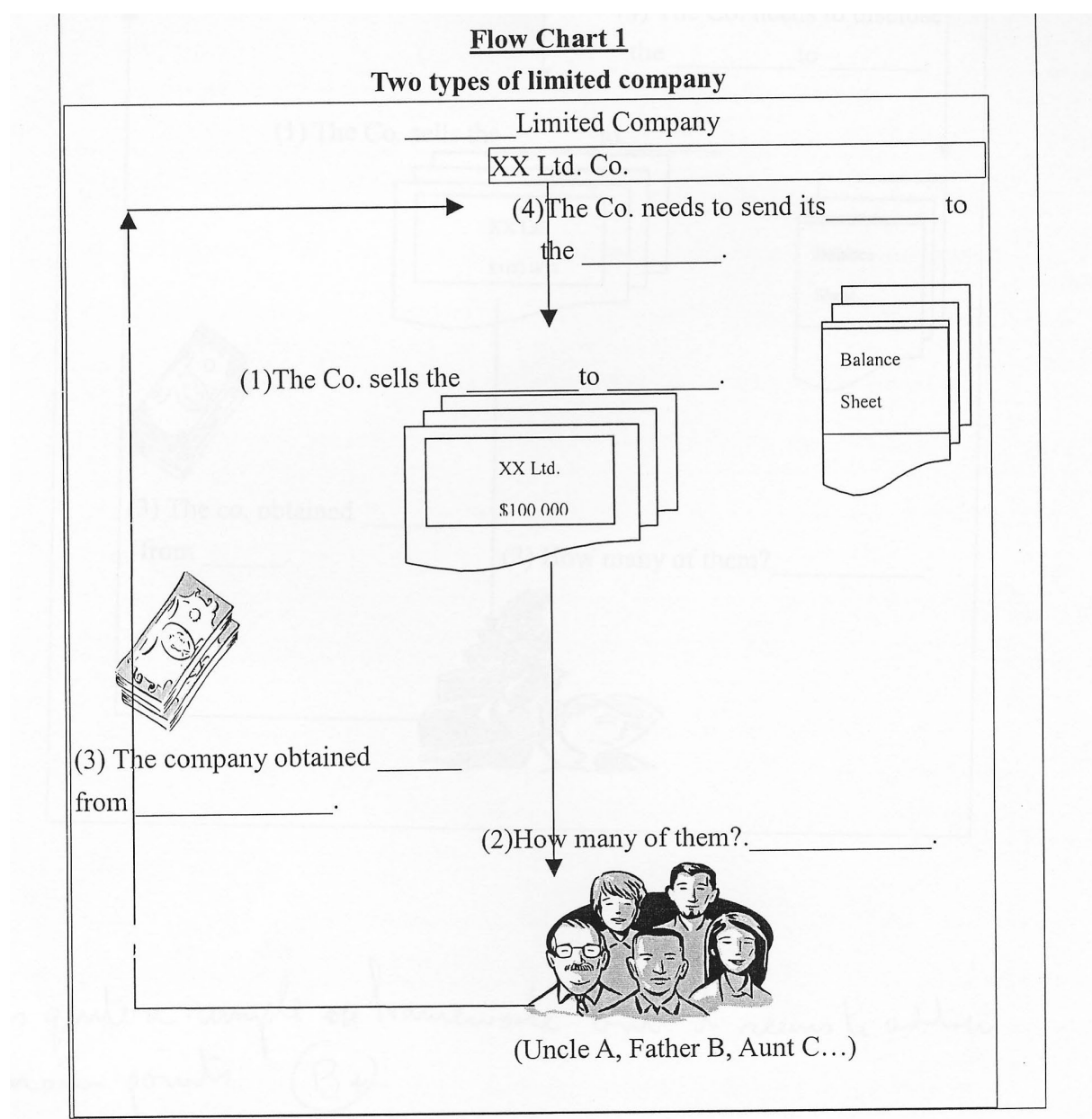
Name: _____ No.: _____ Class: _____ Date: _____

Task 1

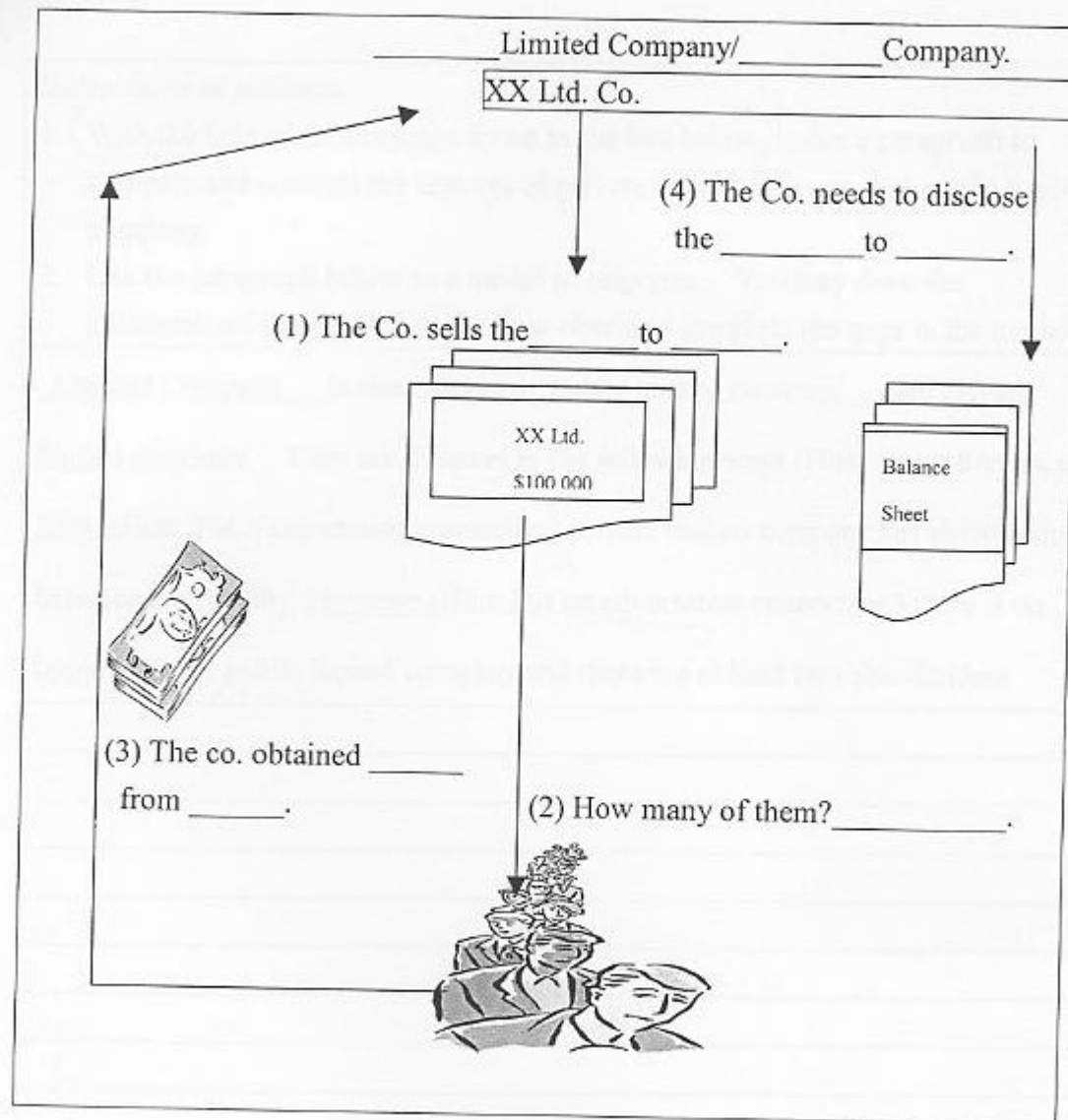


Instructions:

1. Read the text on page 204 of your textbook (see extract from the textbook on introductory page).
2. Use the information from the text to fill in the blanks in the two flow charts below.



Flow chart 2



Now, use the information from the text and the flow charts to fill in the table below:

	Private limited company	Public limited company
No. of shares		
Nature of shares		
Purpose of shares		
Buying and selling of shares		
Financial report requirements		

Task 2



Writing

Instructions:

1. Write a paragraph to compare and contrast the features of a private limited company and a public limited company. You should point out in your writing clearly the similarities and differences between a private limited company and a public limited company.
2. Part of the paragraph has been written for you. Fill in the gaps and write the rest of the paragraph.
3. Use the information from the text you have read and the flow charts and the table you have completed to help your writing.
4. You can also use the language forms suggested below to help you.
Sequencing connectives: *Firstly, Secondly, Third...*
Adversative connectives: *However, whereas, but...*

Limited companies can be classified into _____ and _____
_____. The two types are different in the following ways.

First, a private limited company must have _____ while there is no upper limit for the number of shareholders in _____ but there should be at least two. In a private limited company, shares cannot _____
