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**Q1. what is a Joint stock company? Enlist its advantages and disadvantages?**

**Ans: Joint Stock Company:**

The simplest way to describe a joint stock company is that it is a business organization that is owned jointly by all its shareholders. All the shareholders own a certain amount of stock in the company, which is represented by their shares.

Professor Haney defines it as *“a voluntary association of persons for profit, having the capital divided into some transferable shares, and the ownership of such shares is the condition of membership of the company.” Studying the features of a joint stock company will clarify its structure.*

**Advantages of a Joint Stock Company:**

* One of the biggest drawing factors of a joint stock company is the limited liability of its members. their liability is only limited up to the unpaid amount on their shares. Since their personal wealth is safe, they are encouraged to invest in joint stock companies
* The shares of a company are transferable. Also, in the case of a listed public company they can also be sold in the market and be converted to cash. This ease of ownership is an added benefit.
* Perpetual succession is another advantage of a joint stock company. The death/retirement/insanity/etc. does affect the life of a company. The only liquidation under the Companies Act will shut down a company.
* A company hires a board of directors to run all the activities. Very proficient, talented people are elected to the board and this results in effective and efficient management. Also, a company usually has large resources and this allows them to hire the best talent and professionals.

**Disadvantages of a Joint Stock Company:**

* One disadvantage of a joint stock company is the complex and lengthy procedure for its formation. This can take up to several weeks and is a costly affair as well.
* According to the Companies Act, 2013 all public companies have to provide their financial records and other related documents to the registrar. These documents are then public documents, which any member of the public can access. This leads to a complete lack of secrecy for the company.
* And even during its day to day functioning a company has to follow a numerous number of laws, regulations, notifications, etc. It not only takes up time but also reduces the freedom of a company
* A company has many stakeholders like the shareholders, the promoters, the board of directors, the employees. the debenture holders etc. All these stakeholders look out for their benefit and it often leads to a conflict of interest.

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**Q2. What are the differences between private and public limited companies? Elaborate.**

**Ans:** There are many types of companies, the most popular forms are; private limited and public limited company. Both have its own advantages and disadvantages. Therefore, an entrepreneur will have to choose the type of company depending upon the funding plans.

**According to the Companies Act, 2013, 'private company' means a company which, by its articles;**

restricts the right to transfer its shares, if any;

limits the number of its members to fifty not including;

In simple words, the private limited company is a joint stock company. However, it is governed under the ambit of the Indian Companies Act, 2013. It is formed by voluntary association of persons with a minimum paid up capital of 1 lakh rupees. While the maximum number of members is 200, it does not include the current employees or ex-employees who were members during their employment terms. Employees may continue to be the member after their termination of employment in the company. Transfer of shares is restricted. It prohibits the entry of public through subscription of shares and debentures. The term private limited is used at the end of its name.

**According to the Companies Act, 2013, 'public company' means a company which is not a private company.**

A public limited company is a joint stock company. It is governed under the provisions of the Indian Companies Act, 2013. While there is no limit on the number of members, it is formed by the association of persons voluntarily with a minimum paid up capital of 5 lakh rupees. Transferability of shares have no restriction. The company can invite public for subscription of shares and debentures. The term public limited is added to its name at the time of incorporation.

**Differences between Public Limited and Private Limited Company:**

1. A public limited company is a company listed on a recognized stock exchange and the stocks are traded publicly. On the other hand, a private limited company is neither listed on the stock exchange nor are they traded. It is privately held by its members only.
2. The minimum number of members required to start a public company is seven. As against this, the private limited can be started with a minimum of two members.
3. In case of a public company, it is compulsory to call a statutory general meeting of members. There is no such compulsion in case of a private company.
4. The issue of prospectus or statement is mandatory in case of public company. However, this is not the case of a private company.
5. The public company will require a certificate of commencement post incorporation to begin its operation. In contrast to this, a private company can start its business right after its incorporation.
6. The transferability of shares is restricted completely in private limited company. While the shareholders of a public company can transfer their shares freely.
7. Since there is a limited number of people and fewer restrictions, the scope of a private limited company is limited. In contrary, the scope of a public company is vast. This is because the owners of the company can raise capital from the general public and have to abide by many legal restrictions.
8. There is a greater regulatory burden on a public limited company. This is because a great amount of information has to be made available to the public who are shareholders or prospective shareholders. A lot of money has to be invested in order to prepare reports and disclosures that match with the regulations provided by SEBI.
9. A signed written resolution is received by holding general meetings of a private limited company.
10. While it mandatory for public companies to appoint a company secretary, private companies may choose to do so only at their will.

Depending upon one's need a type of company is chosen to be registered. However, the principal reason for choosing a public company is to have the ability to offer shares to the public. One has to pay a price for this by complying with a greater number of restrictions and considerable loss of privacy.

**Here is a list of features that differentiate a public company from a private limited company:**

|  |  |  |
| --- | --- | --- |
| **Features** | **Public Limited Company** | **Private Limited Company** |
| Minimum members | 7 | 2 |
| Minimum directors | 3 | 2 |
| Maximum members | Unlimited | 200 |
| Minimum capital | 5,00,000 | 1,00,000 |
| Invitation to public | Yes | No |
| Issue of prospectus | Yes | No |
| Quorum at AGM | 5 members | 2 members |
| Certificate for commencement of business | Yes | No |
| Term used at the end of name | Limited | Private limited |
| Managerial remuneration | No restriction | Cannot exceed more than 11\\\% of net profits |
| Statutory meeting (mandatory) | Yes | No |

In situations where a public company no longer wishes to operate within the business model, there is an option for it to return to the private limited company. This can be done by buying back all outstanding shares form the current shareholders. The company is delisted from the stock exchange where it has registered once this purchase is done. It will then return to operate as a private limited company. Recent finance Bill has further added a new clause relating to the value of assets held by private companies. According to this, prior to three years of converting a private limited company, the value of assets as detailed in the books of accounts should not exceed 5 crore rupees.

In situations where a private limited company thinks of converting into a public company, it will make the compliances easier and a company will exercise greater control. This means a company would no longer hold a meeting of shareholders and pass a special resolution regarding part related transactions. Recent trends revealed by Ministry of Corporate Affairs show a sharp increase in the number of companies that have rushed to become private entities. This has been the scenario ever since the enactment of the Companies Act, 2013.

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**Q3. What is Marketing? Explain the marketing process in detail?**

**Ans: Marketing:**

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (Approved 2017)

**Marketing Research:**

Marketing research is the function that links the consumer, customer, and public to the marketer through information–information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications. (Approved 2017)

**Brand:**

A brand is a name, term, design, symbol or any other feature that identifies one seller’s good or service as distinct from those of other sellers.

ISO brand standards add that a brand “is an intangible asset” that is intended to create “distinctive images and associations in the minds of stakeholders, thereby generating economic benefit/values.”

**Types of Marketing:**

* **Influencer Marketing:**

According to the Association of National Advertisers (ANA), influencer marketing focuses on leveraging individuals who have influence over potential buyers and orienting marketing activities around these individuals to drive a brand message to the larger market.

In influencer marketing, rather than marketing directly to a large group of consumers, a brand inspires or compensates influencers (which can include celebrities, content creators, customer advocates, and employees) to get the word out on their behalf.

* **Relationship Marketing:**

According to the Association of National Advertisers (ANA), relationship marketing refers to strategies and tactics for segmenting consumers to build loyalty.

Relationship marketing leverages database marketing, behavioral advertising and analytics to target consumers precisely and create loyalty programs.

* **Viral Marketing:**

Viral marketing is a marketing phenomenon that facilitates and encourages people to pass along a marketing message.

Nicknamed “viral” because the number of people exposed to a message mimics the process of passing a virus or disease from one person to another.[1]

* **Green Marketing:**

Green marketing refers to the development and marketing of products that are presumed to be environmentally safe (i.e., designed to minimize negative effects on the physical environment or to improve its quality).

This term may also be used to describe efforts to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns.

* **Keyword Marketing:**

Keyword marketing involves placing a marketing message in front of users based on the specific keywords and phrases they are using to search.

A key advantage of this method is that it gives marketers the ability to reach the right people with the right message at the right time. For many marketers, keyword marketing results in the placement of an ad when certain keywords are entered.

Note that in SEO, this term refers to achieving top placement in the search results themselves.

* **Guerilla Marketing:**

Guerilla marketing describes an unconventional and creative marketing strategy intended to get maximum results from minimal resources.

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**Q4. What are the 4 P’s of marketing? Explain.**

**Ans: 4 P’s of Marketing:**

1. **Product:**

A product is defined as a bundle of attributes (features, functions, benefits, and uses) capable of exchange or use; usually a mix of tangible and intangible forms.

Thus, a product may be an idea, a physical entity (a good), or a service, or any combination of the three. It exists for the purpose of exchange in the satisfaction of individual and organizational objectives.

While the term “products and services” is occasionally used, product is a term that encompasses both goods and services.

1. **Price:**

Price is the formal ratio that indicates the quantity of money, goods, or services needed to acquire a given quantity of goods or services.

It is the amount a customer must pay to acquire a product.

1. **Place (Or Distribution):**

Distribution refers to the act of marketing and carrying products to consumers. It is also used to describe the extent of market coverage for a given product.

In the 4Ps, distribution is represented by place or placement.

1. **Promotion:**

According to the Association of National Advertisers (ANA), promotion marketing includes tactics that encourage short-term purchase, influence trial and quantity of purchase, and are very measurable in volume, share and profit.

Examples include coupons, sweepstakes, rebates, premiums, special packaging, cause-related marketing and licensing.

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