

CHAPTER 11 COMPANIES

COMPANIES VOCABULARY

- 1) A company: A voluntary association formed and organized to carry on a business. Types of companies include sole proprietorship, partnership, limited liability, corporation, and public limited company. A company is any entity that engages in business. Companies can be structured in different ways. For example, your company can be a sole proprietorship, a partnership, or a corporation. Depending on which different type of company you're dealing with, it may be owned by one person or a group of people. Liability in most types of company is assumed by the owners, and can either be limited or unlimited depending on the type (une entreprise, une société)
- 2) A legal body= an association, company, partnership, trust or individual that has legal standing in the eyes of the law; legal person, legal entity
- 3) A shareholder: An individual, group, or organization that owns one or more shares in a company, and in whose name the share certificate is issued. It is legal for a company to have only one shareholder. Also called (in the US) stockholder. (un actionnaire)
- 4) Shares: parts or portions of the equity capital of a company, stocks (action)
- 5) A promoter= An entity that plans a project or formation of a new firm, and then sells or promotes the plan or idea to others. (un promoteur)
- 6) Directors= individuals in a company who generally make strategic decisions and who are responsible by law to the business's customers, employees, suppliers and shareholders.
- 7) the Registrar of Companies= Under the UK corporate law, the registrar responsible for recording and maintaining certain details of the new and existing firms within his or her jurisdiction. He or she also controls the formation of new firms, and renewal of or changes in the existing ones. (le registraire des sociétés)
- 8) **authorised capital (capital autorisé)**= The maximum value of securities that a company can legally issue. This number is specified in the memorandum of association (or articles of incorporation in the US) when a company is incorporated, but can be changed later with shareholders' approval.
Authorized share capital may be divided into (1) Issued capital: par value of the shares actually issued. (2) **Paid up capital: (capital libéré, versé)** money received from the shareholders in exchange for shares. (3) **Uncalled capital (capital non appelé)**: money remaining unpaid by the shareholders for the shares they have bought.
- 9) Issue= put on the market
- 10) Issued share capital (**capital actions émis**): The total of a company's shares that are held by shareholders. A company can, at any time, issue new shares up to the full amount of authorized share capital. Also called subscribed capital, or subscribed share capital.
- 11) A call (**un appel**)= in company affairs: Demand from a firm to its stockholders to pay all or a part of money remaining unpaid on stock (shares) bought by them.
- 12) Paid-up capital : (**capital libéré, versé**) The amount of money that has been received by shareholders who have completely paid for their purchased shares. This would not include any shares that have been bid on, but not yet purchased.
- 13) private companies (**entreprises, sociétés privées**)= Business firms in the private (non-public) sector of an economy, controlled and operated by private individuals (and not by civil

servants or government-employees). Used also as an alternative term for private limited company.

14) public companies= business firms whose stock is traded on the stock exchange, public limited companies, public corporations (**société ouverte, publique, entreprise publique**)

15) Family businesses (**entreprise familiale**) = Company owned by one or more family members. In some cases, a family business may be owned by more than one family.

16) The Stock Exchange (**marché boursier**)= Organized and regulated financial market where securities (bonds, notes, shares) are bought and sold at prices governed by the forces of demand and supply. Stock exchanges basically serve as (1) primary markets where corporations, governments, municipalities, and other incorporated bodies can raise capital by channeling savings of the investors into productive ventures; and (2) secondary markets where investors can sell their securities to other investors for cash, thus reducing the risk of investment and maintaining liquidity in the system.

17) a board of directors (**conseil d'administration, comité de direction**)= Governing body (called the board) of an incorporated firm. Its members (directors) are elected normally by the subscribers (stockholders) of the firm (generally at an annual general meeting or AGM) to govern the firm and look after the subscribers' interests. The board has the ultimate decision-making authority and, in general, is empowered to (1) set the company's policy, objectives, and overall direction, (2) adopt bylaws, (3) name members of the advisory, executive, finance, and other committees, (4) hire, monitor, evaluate, and fire the managing director and senior executives, (5) determine and pay the dividend, and (6) issue additional shares.

18) managing director= person with the ultimate responsibility in the UK for a firm's overall operations and performance, CEO (Chief Executive Officer), CO (Chief Officer)

19) Unlimited liability businesses (**entreprises à responsabilité illimitée**) = Private firm (such as a sole proprietorship or general partnership) whose owner(s), partners, or stockholders accept personal and unlimited liability for its debts and obligations in return for avoiding double taxation of a limited company. Unlimited liability firms are exempt from filing their annual accounts with a public authority (such as Registrar Of Companies) unless they are subsidiaries of limited liability holding companies. Also called unlimited company.

19) Limited liability businesses /company (**entreprises à responsabilité limitée**) = Relatively recent type of US business structure that combines the limited personal liability feature of a corporation with the single taxation feature of a partnership or sole-proprietorship firm. Its profits and tax benefits are split any way the stockholders/ shareholders (whether individuals or other firms) choose. Tax return for a LLC is filed with the taxation authorities only for the purpose of information, and each shareholder files own tax return separately. Also called company limited by share. See also limited company.

20) full quotation= official registration of a company with the stock market enabling it to sell shares directly to the public at large, full listing (

21) dealers=traders of securities (stocks and bonds) who buy and sell for their own account rather than as agents for someone else's account

22) control= the ownership of 50% of a company's share plus one, although this can be achieved with less if one person or group owns a significant proportion of the voting shares, controlling interest

- 23) A takeover bid (Offre Publique d'Achat, offer publique, offre de rachat)= The amount a company or group of investors is willing to pay in order to acquire a company. The bid is an offer to the shareholders of the target company. The shareholders will have to approve of the bid before an acquisition can be made, and can vote to hold out for more money from the acquiring company or to wait for a competing bid.
- 24) quoted= listed on the stock market (coté en bourse)
- 25) the Stock Exchange Council (conseil des cotations en bourse)= a committee which runs the London International Stock Exchange and regulates the way in which its members work
- 26) go public= when a privately-owned company starts trading its shares on the stock market, often to raise money for its expanding business
- 27) merchant banks= financial institutions which act for and advise companies, and which underwrite new issues of securities, investment banks
- 28) a placing (un placement)= the act of finding a single buyer or a group of institutional buyers for a large number of shares in a new company or a company that is going public
- 29) pension funds= state and private institutions which collect and invest pension contributions to provide for retirement pensions
- 30) underwritten= guaranteed by a merchant bank
- 31) share capital= the value of the assets of a company held as shares, equity capital
- 32) advertised= made known to the public through printed or online media
- 33) A rights issue (question de droits, emission de droits)= an arrangement which gives shareholders the Right to buy more shares at a lower price