





The business entity

- limited liability Company
- separate legal entity to its shareholders
- difference between LTD and PLC (both have limited liability of s/holders)
- owned by shareholders, shares are freely transferable
- with shareholders share limited liability (up to contributing capital or cost of shares)
- if proper statements for issuing shares
- can be Director appointed by shareholders
- statements have to be audited (appointment of Directors, approval of policies etc)
- have to have audited accounts (in order to protect s/holders & creditors)
- PLC to have accounts audited and published at the press
- ability to issue shares thus increasing capital
- share profits by issue of dividends to shareholders (tax payable on divid.)
- different types of shares (preferred vs ordinary vs debentures)
- continuity of legal existence (shareholders)
- Company Organisation - Order of Depts

Business or
Company Structures







Finance in international trade

Methods of payment

Cash with order (pre-account payment - favorite for seller)

Open account (favorite for buyer)

Bill of exchange (mutual trust btw buyer/seller)

Documentary letter of Credit (importance, how it works - App. 21&22 in the book)

(2) Irrevocable vs Revocable

(3) Advantages

(4) Disadvantages

(5) Parties involved (Buyer or Applicant/Seller or Beneficiary/Issuing Bank/Confirming or Paying Bank)

(6) Guidelines for Uniform Customs and Practice for DLC issued by ICC

(7) Documents required to be presented by Sellers

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