



# JOINT STOCK COMPANY

# TOPICS

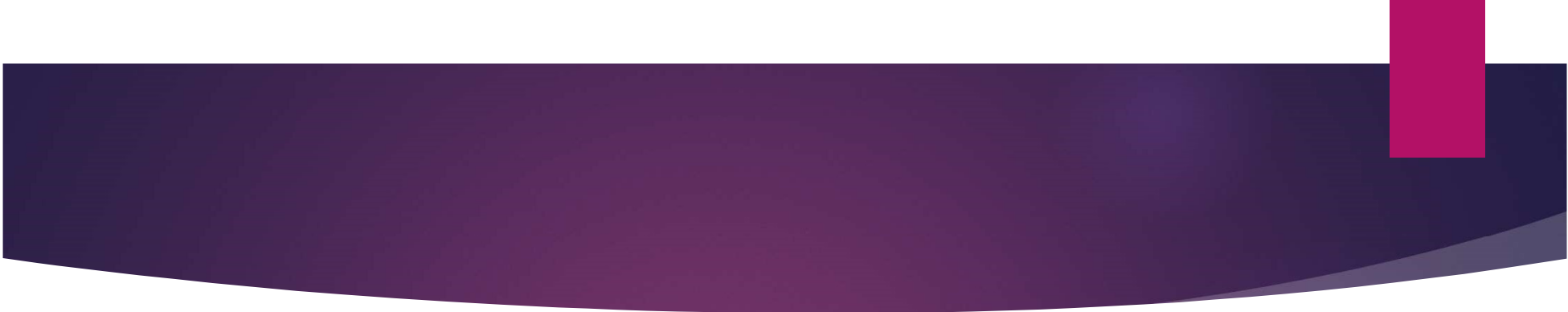
- ▶ **Definition of Joint Stock Company**
- ▶ **Characteristics of Joint Stock Company**
- ▶ **Memorandum of Association**
- ▶ **Articles of Association**
- ▶ **Differences between MOA and AOA**
- ▶ **Types of joint stock companies**

# Joint Stock Company

- ▶ Joint stock company is a **voluntary association** of individuals for **profit**, having a **capital divided** into transferable shares, the **ownership** of which is the condition of membership.

# Joint Stock Company

- ▶ Voluntary association of persons
- ▶ Formed for carrying out business activities
- ▶ With the motive of earning profit
- ▶ Company is a artificial person
- ▶ Separate legal entity
- ▶ Perpetual succession
- ▶ Common seal
- ▶ Limited Liability

- 
- ▶ **The capital of the company is divided into smaller parts, called SHARES**
  - ▶ **Capital is raised through the issue of shares**
  - ▶ **The person who purchase the share is called share holders**
  - ▶ **Share holders are the owners of the company**

**\*\*The managing body is called Board of Directors**

**\*\*Board of Directors are elected by the share holders**



Board  
of Directors

# Memorandum of Association

- ▶ **The Memorandum of Association or MOA of a company defines the constitution and the scope of powers of the company.**
- ▶ **In simple words, the MOA is the foundation on which the company is built. In this article, we will look at the laws and regulations that govern the MOA.**

# Articles of Association

- ▶ The **Articles of Association or AOA** are the legal document that along with the memorandum of association serves as the **constitution** of the company. It is comprised of **rules and regulations** that govern the **company's internal affairs**.
- ▶ The articles of association are concerned with the internal management of the company and aims at carrying out the objectives as mentioned in the memorandum.



# Difference between Memorandum of Association and Articles of Association



# Types of joint stock companies

1. **According To Incorporation**
  - a) Chartered Company
  - b) Statutory Company
  - c) Registered Company

# Types of joint stock companies

## **2. According To Liability**

- a) Limited by Share**
- b) Limited By Guarantee**
- c) Unlimited**

## **3. According To No of Members**

- a) Private**
- b) Public**