**Key Terms**

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| Incorporated businesses | Companies that have separate legal status from their owners. |
| Shareholders | The owners of a limited company. They buy shares which represent part ownership of a business. |
| Private Limited Company (Ltd) | A business owned by shareholders invited to buy shares. |
| Public Limited Company (Plc) | A business owned by shareholders. Shares are sold on the stock market to anyone. |
| Annual General Meeting (AGM) | This is a legal requirement for all companies. Shareholders may attend and vote on who they want to be on the Board of Directors for the coming year. |
| Dividends | Payments made to shareholders from the profits (after tax) of a company. They are the return to shareholders for investing in the organization. |

**Risk, ownership and limited liability summary**

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| **Business organisation** | **Risk** | **Ownership** | **Limited**  **Liability** |
| Sole Trader | Carried by sole owner | One person | No |
| Partnership | Carried by all partners | 2 – 20 partners | No |
| Private Limited Company | Shareholders up to their original investment | Shareholders – may be few or many but shares cannot be sold to the public | Yes |
| Public Limited Company | Shareholders up to their original investment | Shareholders – many (may be millions!) | Yes |