**Unit 2: The limited liability**

« Even if you across the hell keep walking »

Winston Churchill, English Prime Minister, 1874-1965



The company is a legal person that has a separate legal existence from its owners or people who found it named the **shareholders**. To carry its business, the company deals with many partners: the **stakeholders**. Clients, suppliers, bank, government, taxes authorities, social security department…. are examples of the several institutions with which every company has to work. The working of any company is regulated with contracts and if some contract comes to be broken deliberately by the company, it can be taken to court.

We can distinguish between three kinds of company, according to many criteria:

1. **The partnership** founded by several persons, they may be family members, and they share the risks and profits. In case of legal conflicts, they will be sued. The partners are fully responsible for their company’s debts.
2. **Limited company** in which the owners are responsible for the company’s debts according to the value of their share capital. Debts are repaid by selling the company’s assets. The liability or the responsibility of shareholders is limited, they incur no risks. Most investors choose this kind of company. If the limited company is owned by a single person it’s named **Sole trader**.

**The Private limited companies** have **“ltd”** at the end of their name. They are owned by people who founded it. **Public limited companies** have **“plc”** at the end of their name and part of their shares are owned by public.

**Comprehension:**

1. Explain how the shareholders can be responsible for their company’s debts
2. Who are the stakeholders?
3. Do you think that limited liability encourages investors to found company?

**Vocabulary:**

* Find in the text synonyms of these words: to create, completely, firm, organization.
* The word “criteria” is singular or plural?
* Complete this table :

|  |  |
| --- | --- |
| Verb | Noun |
| To manage |  |
|  | Association |
| To direct |  |
|  | Orientation |
| To compete |  |

**Grammar: *Nouns gender / Countable and uncountable nouns***

Nouns answer the questions what is it and who is it? They give names to things, people and qualities.

***Nouns gender,***in general, there is no distinction between masculine and feminine in English nouns. However, gender is sometimes shown by different forms or different words.

|  |  |  |  |
| --- | --- | --- | --- |
| **Distinction by different words** | | **Distinction by different forms** | |
| Father  Boy  Husband | Mother  Girl  Wife | Man  Actor  Hero | Woman  Actress  Heroine |

Some nouns can be used for either masculine or a feminine subject: teacher, student, colleague, friend, parent, leader and partner.

To make the distinction, we can add words like female, male or women.

* A female student.
* A woman teacher.

In some cases, nouns describing things are given gender:

* France is popular with **her** refined gastronomy. (instead of its)
* I like my car. **She** is my greatest passion.

***Countable nouns*** are for things we can count, they usually have a singular and a plural form: *bank-banks, company-companies, car-cars* ….

* When a noun is countable, we must use a determiner like : a/an/the/this/my :

*I have found* ***a job*** *in this company.*

* When the noun is plural, we can use it alone: *Customers have several needs that each company should know.*
* We can use some/any/a few/many with countable nouns: *many Algerian companies have succeeded in exporting their products.*

***Uncountable nouns*** are for things we cannot count such as rice, water, air or abstract ideas and qualities: money, knowledge, happiness, research, safety, fear.

* They are used with singular verbs and do not have plural forms: Water **is** cold
* We cannot use an article with these nouns, to express quantity; we use words like more, a lot of, a piece of, a bit of….

*There has been* ***a lot of research*** *in order to improve the quality of these products.*

*Can you give me* ***more information*** *about your project?*

* Some nouns can be countable and uncountable often with a change in meaning: hair, noise, light, paper, time, work, experience….

*There* ***are noises*** *in the city. (Countable)*

*It is too difficult to work when there* ***is*** *so much* ***noise.*** *(Uncountable)*

*We had* ***many experiences*** *on our vacation.*

*You need* ***experience*** *to get this job.*

*I have long* ***hair****.*

*I found* ***two hairs*** *in my coffee.*