

5 COMPANY LAW 1, p.17

5.1 Are the following statements TRUE or FALSE? Write ONLY one LETTER – T or F – in the gap left.

- ____ 1. In case of a legal dispute, people can take a company's shareholders to court.
- ____ 2. The owners of limited companies have to pay all the company's debts.
- ____ 3. Many companies are not owned by their managers.
- ____ 4. External directors can usually give more objective advice than full-time directors.
- ____ 5. Partners in British and American businesses are not liable for the partnership's debts.
- ____ 6. In case of a dispute, people can take British companies and partnerships to court.

5.2 Make word combinations using a word from each box. Then match the word combinations to the definitions below.

corporate
audit
limited
non-executive
share

committee
directors
governance
capital
liability

- 1. _____ : a group of directors to whom the external auditors present their report
- 2. _____ : members of a board of directors who are not full-time managers of the company
- 3. _____ : owners' money invested in a company
- 4. _____ : responsibility for debts up to the value of the company's share capital
- 5. _____ : the way a company is managed for its owners

5.3 Complete the document with the appropriate words.

(a) _____ of Association

- 1. The name of the Company is Language Services Pty Limited.
- 2. The (b) _____ of the Company will be in Australia.
- 3. The (c) _____ for which the Company is established is to provide translation and interpreting services to international companies.
- 4. The (d) _____ of the company is made up of ordinary shares divided into five thousand (5,000) shares of A\$1.00 per value each with one vote for each share.