

image not found or type unknown



Business is an organization which involves the trade of goods and services. Every day thousands of people start their own business. To be successful in business one should have special character traits, for example, to be hard-working, clever, energetic and even adventurous.

If a person wishes to launch a new business he or she has to take some preparatory steps. The first one is the selection of a legal form. Different countries have different laws about legal types of businesses. Usually they are a limited liability company, a partnership and a sole proprietor. These forms of business slightly differ. The limited liability company is a legal entity. In case of a bankruptcy it has to reimburse its debts with all its assets. Sole proprietors or partners do not form a legal entity. In case of their bankruptcy they reimburse the debts not only with their assets but also with their own belongings. It includes houses, cars, money, etc. That's why the majority of businessmen prefer to set up the limited liability companies. The second step is the preparation of certain documents. The third step includes initial investments and the appointment of a director.

Every new business has to be registered with the official company register. Business should mainly bring profit. However, the founders sometimes don't have enough experience and make many mistakes. This leads to losses instead of profit. All financial information of the company can be kept in the financial reports. There are a lot of reports submitted annually, semi-annually and quarterly. Every government requires detailed information on the company's performance and collects taxes. That's why financial reports are important.

In conclusion, I'd like to add that every business is not an easy activity. Thus, the knowledge of basic economic principles is vital for people who want to set up a business.