



Business Virtual Learning

Course: Intro to Business

Lesson: Public and Private Corporations

April 29, 2020



Lesson: April 29, 2020

Objective/Learning Target: Students will be able to:

- (1) Understand the difference between public and private corporations.**
- (2) Research and evaluate a current corporation**



Lesson Starter

What are some factors that make a business decide to incorporate?



Review of Key Factors of Corporations

Benefits

- Legal entity that is held responsible for its decisions
- Ownership is separate and apart from the owner/shareholders
- Managed by a board of directors
- Owners/shareholders have “limited liability”
- Can be easier to get start-up and expansion financing
- Considered an “individual” and pays its own taxes at corporate tax rates

Costs

- Requires legal advice and fees to establish/maintain
- May be subject to more paperwork and state/federal regulations
- May have managers with absentee ownership



Public vs. Private Corporations

Public

- Shares sold over stock exchange to members of the general public
- Required to file quarterly report with SEC
- Information shared with shareholders and general public

Private

- Shares not traded over stock exchange; often owned by founder, family members, management or private investors
 - No reports required
- Information not shared with general public

Private



Public





Activity: Research a Corporation

In today's activity, I want you to research a corporation of your choice. It could be a public or private corporation. I would like you to research and write a couple paragraphs summarizing the corporation. Make sure in your summary that you include the answers to the questions listed below.

- What has happened to the founder of the business?
- Is he or she still involved with the company?
- What other things has he or she done?
- Who owns the business?
- How has the business changed?
- Has the company been involved in any mergers or acquisitions?
- What products does the company sell?
- Is it publicly or privately held?