

Types of Business Organization

- 1 Retail Outlets: E.g., Pantaloons
- 2 Manufacturing: E.g., TATA, Ashok Leyland
- 3 Service: E.g., Oyo Rooms, IT Companies
- 4 Government or Public Sector Companies
- 5 NGOs

Forms of Ownership

① Private Sector

- Individual: Sole Proprietorship
- Collective: Partnership/Company/Cooperative

② Public Sector

③ Joint Sector

Types of Business Organization

Individualistic Organization

- 1 Sole Trader
- 2 Joint Hindu Family
- 3 Partnership
- 4 Joint Stock Company
- 5 Co-operatives
- 6 Multi-national Companies
- 7 Non-Profit Organizations

Types of Business Organization

Government

- 1 Department Undertaking
- 2 Government Company
- 3 Board Organization

Individualistic Organization

Sole Proprietorship: A business entity owned solely by a person. It is of course easy to start of but has the problem of unlimited liability.

Joint Hindu Family: With the introduction of the Hindu Succession (Amendment) Bill 2004 in Parliament on December 20, 2004, the Government has gone a step further in fulfilling its commitment towards gender equality made in National Common Minimum Programme (NCMP). The Bill to amend the Hindu Succession Act of 1956 gives women equal rights in the inheritance of ancestral wealth, something reserved only for male heirs earlier.

Partnership: A partnership is an association between two or more persons who have agreed to operate a business.

Individualistic Organization

Joint Stock Company: A company is an association of persons formed for carrying out business activities and has a legal status independent of its members. The company form of organization is governed by The Companies Act, 1956.

The shareholders are the owners of the company while the Board of Directors is the chief managing body elected by the shareholders. The capital of the company is divided into smaller parts called 'shares' which can be transferred freely from one shareholder to another person.

Types of Joint Stock Company:

- 1 Private Ltd. Company
- 2 Public Ltd. Company
- 3 Government

Individualistic Organization

Co-operative Society: A co-operative is a nonprofit, nonpolitical, nonreligious, voluntary organization, formed with economic objective. The advantage of having a co-op society is that it promotes societal values but there are also lot of fraud activities.

Multinational Companies (MNCs): A multinational company may be defined as a company that operates in several countries. Such a company has factories, branches and located in more than one country.

Non-Profit Organization: Non-profit organisation can be classified into public organisations and private sector organisations. Some organisations created by the Government in the public sector are directed towards meeting the basic needs of the people. Many private sector organisation are created by socially oriented people with a view to meet certain unmet needs of the society. In both these cases profit-making is not a goal.

Governmental Institutions

Department Undertaking: This is considered as a department attached to the ministry of a government. Railways, postal, B.S.N.L., broad casters like Doordarshan are the examples of Departmental Undertakings.

Public Corporation: This is established under a specific statute passed in the parliament. It is known as a statutory corporation because it is created by a statute. Reserve Bank of India, Air India, IDBI, Life Insurance Corporation and Unit Trust of India are the examples of public corporation.

Government Company: Government Company is also established under the Companies Act of 1956. It is a company in which not less than 51% of paid up share capital is held by the central government or by one or more state governments or jointly by the central and state governments. Hindustan Steel Limited, Bharat Heavy Electricals Limited, ONGC, SAIL are the examples of Government Company.

Holding and Subsidiary Company

If company A holds more than 50% Shares of company B then, Company A is a holding company B and Company B is a subsidiary company.

Coal India is a holding company. Bharat Coking ltd, Mahanadi Coal Fields ltd are its subsidiary companies.

Similarly, Konkan Railway is a subsidiary company of Indian Railways. Although Indian Railways is not a 'Holding Company', it is a Departmental undertaking.

Board Organization

In this organisation management is carried on by a government nominated independent Board.