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**Business Form (Story)**

The economy is not pleasant!, Segun said to himself as he was thinking of various ways to becoming an entrepreneur. He thought of this for about three(3) good weeks and had a lot of ideas and also stumbled into the various business forms on the internet (www.rifkindpatrick.com).

Being in a confused state he decided to consult Mr. David Chukwuma a specialist in business development who has track records in various sectors of business. He (Mr. David ) was the pioneer financial manager in Semicolon-Africa and has since then worked for various multi-national firms within and outside the country. Segun was fortunate to have him as a mentor, as a fresh graduate from The Polytechnic Ibadan who has special skills in graphics design and art wants to venture into the world of fashion design. Segun who learned how to sow clothes from a tender age as his father was a fashion designer and also loves art and studied fine and applied art really made me skillful for the business he is about to go into.

He picked up his phone and called Mr. David to have a long conversation to be enlightened about which form his business will take and how he will scale as the time comes. Mr. David shed light on the differences between a businessman and an entrepreneur, He said " Anybody can be a businessman and not everybody can be an entrepreneur" Mr. David gave a broken explanation as to what an entrepreneur is and he tied it to adding value and said most businessmen didn't start out to add value but mainly profit, just before he wanted to start telling him the merit and demerit of the various forms of business forms Segun’s credit ran-out. Segun dashed out of his room with his last 1k to get airtime to enable him to converse more. “This is like a business development course of 4years in an hour” he said this as he ran back to his room since he was also jotting down valuable points. Segun finally got back on call and they continued to communicate, Mr. David told him that what will be best for him at the moment is sole-proprietorship and the benefits are he gets to keep the profit and also expand, he gets to make the most decision and also the requirement for starting are very few, most often is a business license and the disadvantage is that the owner bears the risk and the equity is based on the owner's limited resource and it is difficult to transfer ownership of the business in case of health conditions or death

Segun asked if he could go into partnership with his friends and Mr. David said it will take more than just a phone call as he needs to know more about equity, debt, convertible debt, and the likes, Mr. David also told him to join his webinar master

class and also attend his six(6) hours live class holding on the 5th of the next month at Lekki saint Johnson street Makura. Mr. David told him that the Shared resources provide more capital for the business, Each partner shares the total profits of the company,partnership has Similar flexibility, and simple design of a proprietorship,

Inexpensive to establish a business partnership, formal or informal. Mr. David went further to say he should be aware that Each partner is 100% responsible for debts and losses, Selling the business is difficult—requires finding a new partner, Partnership ends when any partner decides to end it. He (Mr. David ) also explained the Limited Liability Company (LLC) as he gave a brief comment of the following, it is similar to a limited partnership, an LLC provides owners with limited liability while providing some of the income advantages of a partnership. Essentially, the advantages of partnerships and corporations are combined in an LLC, mitigating some of the disadvantages of each. Ownership is limited by certain state laws, Agreements must be comprehensive and complex, Beginning an LLC has high costs due to legal and filing fees. He states that " LLC Limits liability to the company owners for debts or losses, The profits of the LLC are shared by the owners without double-taxation. They also discussed on Public Limited Company and how

they rise hedged funds by sharing stock with the general public. The buyers have limited liability meaning they can not be held responsible for the loss of the business. He said that the cons are that they face high scrutiny and regulations, they are accountable for large shareholders, and volatility in valuation increase as the company is beholden to financial markets.

Mr. David concluded that Segun should start with a sole proprietorship business form and then scale to a partnership or even limited liability company and then he could make it a public limited company. Segun was happy and his spirit lightened because he knows he has a future in the business world.

Reference

* [www.investopedia.com](http://www.investopedia.com)
* [www.rifkindpatrick.com](http://www.rifkindpatrick.com)