

## Objectives

At the end of this chapter, the students should be able to;

- Define quoted and unquoted companies;
- Distinguish between quoted and unquoted companies;
- State the features of each type.

### 19.1 Introduction

Stock exchange market is a highly organised market where investors can buy and sell existing securities like shares, stocks, debentures and gilt-edges. This is a market where shares are declared by companies, mainly public limited liability companies, for sale and purchase.

### 19.2 Quoted Companies

Quoted companies are companies whose shares are in the stock exchange market. The stock exchange market ensures that every transaction must follow prescribed set of rules and regulations which are complex in nature. The Nigeria stock exchange market is in Lagos with branches in Abuja and Port-Harcourt. It was established in 1960 through the act of parliament. Example of quoted companies in Nigeria are: Nestle foods Nigeria Plc, Nigeria Breweries Plc, Guinness Plc, Union Bank Plc, First Bank Plc, etc.

### 19.3 Features of Quoted Companies

- (i) The shares are quoted in the stock exchange market.
- (ii) The sale of the shares of quoted companies involves broker, jobbers, clerks and others in the buying and selling of shares.
- (iii) Investors can obtain necessary information about the investment situation of a country through stock exchange market instead of individuals.

Private Limited Liability Company	Public Limited Liability Company
1. The shares are listed in stock exchange market.	1. The shares are not in the stock exchange market.
2. The shares of quoted companies involves the services of Brokers, Jobbers and Clerks.	2. The services of Brokers, Jobbers and Clerks are not required.
3. Investors both within the country and outside the country receive information of the exchange market	3. Investors do not have any access to information through stock market
4. The shares in the stock exchange market are the shares of public liability company.	4. The private companies or unquoted company do not issue shares through stock exchange market.
5. Through the stock exchange market, which is a part of the capital market, or capital can be raised or fund Mobilised by companies or investor .	5. Funds can not be mobilised through stock exchange market.
6. Quoted companies old securities like stockshares can be bought in the stock exchange by investors.	6. Old securities of unquoted companies cannot be bought or sold in the stock exchange market.

## Activity

List five indigenous companies that are quote and unquoted in the stock exchange in Nigeria.

## 19.4 Summary

In this chapter, students have learnt that:

1. Quoted companies shares are listed in the stock exchange market.
2. Unquoted companies do not list their shares in the stock exchange.
3. Quoted and unquoted companies are different in form of issuing shares through stock exchange, information for the investors, services etc.

## 19.5 Revision Questions

1. What are quoted companies?
2. State four features each of quoted companies and unquoted companies.
3. Distinguish between quoted and unquoted companies.