Question 12.

1. Acelormittal is a public limited company (PLC).

PLC characteristics: - not all of the shareholders are known,a minimum of 3 shareholders are required to start a PLC and there are no restrictions on the maximum number of shareholders .As for AcelorMittal 60 % of the shares are owned by anonymous shareholders.

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| Advantages | Disadvantages |
| Better access to capital | The PLC is likely to have a much larger number of external shareholders |
| Liquidity (Shareholders are able to buy and sell their shares) | Financial markets will govern the value of the company though the trading of the company’s shares |
| Value of shares (the value of the firm is shown by the market capitalisation . | Greater public scrutiny of the company’s financial performance and actions. |
| Easier to make acquisitions |  |
|  |  |

c. According to the Dutch legislation an PLC is similar to a “ naamloos vennootschap” (nv).

Similarities:

Publicly traded ( Part of the shareholders ar anonymous).

Partners only liable to the extent of their investment.

Business form suitable for big companies.

Highest authority is the annual general meeting of the shareholders (AGM).

Year-round led by the board of directors.

d. The biggest reason for choosing an PLC is the size of the business. Acelormittal Gent has over 5800 internal employees and 13000 direct and indirect employees. Liability is also a big reason. Trading the company publicly shares the risk between investors. PLCs can also operate anywhere in the the world opening new markets.