

## 1.2: Types of Organisation: Exam Practice Question



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### 1.2 TYPES OF ORGANISATION: EXAM PRACTICE QUESTION

Read the case study information below and answer the questions that follow.

#### THE GOOGLE PHENOMENON



In 1995, Larry Page and Sergey Brin met at Stanford University. The following year they formed a partnership and began collaborating on a search engine called BackRub. In 1997, they decided to rename BackRub and came up with Google.

With \$100 000 in support from a backer, Google Inc. was set up in 1998 in a garage in California.

Later that year, *PC Magazine* recognized Google's search engine as one of the top 100 websites. In 2000, Google became available in many languages including French, German, Italian and Chinese. By 2004, the Google search index contained 6 billion items, including 4.28 billion web pages and 880 million images. It moved to an office in California called Googleplex with over 800 employees and offices all over the world. In the same year, Google became a public limited company offering for sale 19,605,052 shares at an opening price of \$85 a share.

Over the next five years, Google refined and added to its search engines a range of products such as Google News, Google Earth, Google Maps and Google Video. Today Google is a huge multinational corporation worth around \$160 billion and its share price is over \$500 a share.

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**25 marks, 45 minutes**

1. Explain the term 'partnership'. **[2 marks]**
2. Outline two benefits to Larry Page and Sergey Brin of starting Google as a partnership. **[4 marks]**
3. Examine the difficulties the partners would have encountered when they set up Google. **[8 marks]**
4. Explain the term 'public limited company'. **[2 marks]**
5. Discuss the advantages and disadvantages to Google following its conversion to a PLC in 2004. **[9 marks]**