

## 1.2 Types of Organisation: Assessment



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### 1.2 TYPES OF ORGANISATION: ASSESSMENT

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

#### THE COMPTROLLER PLC



In 2005, Kate McRae began studying for her business degree at Auckland University. Ever entrepreneurial, she had her own business up and running in just two years. The Comptroller's business model relied on new software technology that Kate had programmed to allow her remote access to a customer's personal computer, where she and her

team of one could then fix any technical problems and/or teach the client how to use a particular piece of software or computer application.

In 2009, Kate had partnered with Abby Turner, a programming prodigy. Together the newly structured partnership went from strength to strength. Abby was able to develop The Comptroller's software to be the leading technology in remote access computing and distributed cloud based data storage. Kate's management and sales skills enabled the partnership to attract large corporate clients and the business grew rapidly.

Two years later the partnership caught the interest of a venture capital firm. In return for a 40 percent equity stake, \$6 million was invested into the business and The Comptroller became

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The Comptroller Ltd, a private limited liability company. It was able to employ an army of computer programmers, corporate sales specialists, and dedicated managers for each functional area of the business. Annual revenues soon exceeded \$10 million and most profit was retained in the business to fund its growth organically. The strategy was to list on the Australian share market in 2014. They had an initial public share offering (IPO) in September 2014. The Comptroller PLC sold 200 million shares to the public at \$4.15 per share. The market valuation of the newly formed public company was \$1.8 billion.

Source: [BusinessManagementIB.com](http://BusinessManagementIB.com)

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### 25 Marks, 45 minutes

1. Define and provide an example from the case study of:
  - i. Sole trader
  - ii. Partnership
  - iii. Private company
  - iv. Public company

**[8 marks]**
2. Explain the concept of **limited liability**.

**[3 marks]**
3. Explain how The Comptroller PLC (a Public Limited Company) can operate in both the private and public sectors.

**[4 marks]**
4. Using concepts such as ownership, control, sources of finance, liability of owners and the advantages and disadvantages of each, distinguish between **sole traders** and **partnerships**.

**[5 marks]**
5. Using concepts such as ownership, control, sources of finance, liability of owners and the advantages and disadvantages of each, distinguish between **private limited companies** and **public limited companies**.

**[5 marks]**