

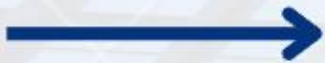
UNIVERSITAS KRISTEN WIRA WACANA SUMBA

WEEK 14

AREAS OF COMPANY LAW

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ENGLISH FOR LAW



Review

Incorporated business means a business is a separate legal entity from its owner and it is a private limited company. Incorporated business has :

- share, dividend, member (saham, dividen, anggota)
- limited liability partnership (kerjasama dengan tanggung jawab terbatas)
- corporation tax (pajak perusahaan)
- public limited company (perusahaan terbatas umum)
- limited liability (tanggung jawab terbatas)

Cont....

Unincorporated business means a business is not legally separate from its owner.

Unincorporated business has :

- unlimited liability (tanggung jawab yang tidak terbatas)
- partnership (kemitraan)
- joint and several liability (tanggung jawab bersama dan masing—masing)
- sole trader (usaha sendiri)
- partner (partner atau mitra)

accountant akuntan	business structure struktur bisnis	private pribadi	stockbroker pialang saham
accountancy akuntansi	tax pajak	waiting list daftar tunggu	dividend dividen
paperwork tugas administrasi	consideration pertimbangan	restricted terbatas	return penghasilan
association asosiasi/perhimpunan	corporation perusahaan	rules aturan-aturan	announcement pengumuman
risk resiko	income tax pajak pendapatan	shares saham	price harga

Areas of company law

The areas of company law talk about:

- company
- shareholders
- directors of the company
- auditor
- creditor
- debtor

Key Vocabulary Before reading

founders	power	connection	auditor
register	directors	involves	records
owners	decisions	satisfied	creditors
shareholders	service	sending	debtors
legal entity	contains	qualified	owe

Key Vocabulary Before reading

founders para pendiri	power kuasa	connection koneksi	auditor auditor
register mendaftar	directors para direktur	involves melibatkan	records catatan/rekaman
owners para pemilik	decisions keputusan-keputusan	satisfied puas	creditors para kreditur
shareholders pemegang saham	service pelayanan	sending mengirimkan	debtors para peminjam
legal entity badan hukum	contains berisi	qualified berkualifikasi	owe berhutang

Reading

Areas of company law

When the founders of a new company register the company at Companies House, the company exists as a separate legal entity. This is important as it means that the company is separate from its owners, who are the shareholders of the company. Shareholders are also known as the members of the company. The people who work for the company are the employees.

The people who have the power to run the company are the directors. The directors are called the Board of Directors. They make all the decisions about the management of the company. The directors have service agreement with the company. The agreement contains all the details of the director's position, remuneration, obligations, requirements, and confidentiality clause.

Cont....

There is a lot of paperwork in connection with the company. Some of this is financial paperwork, for example, dealing with the payroll, which means calculating salaries and wages for the employees. It also involves sending invoices to people who buy goods and services from the company and paying invoices from suppliers. Company usually employs an accountant to deal with all this financial paperwork. Other paperwork is in connection with the legal administrative duties of a company.

Each year, a qualified accountant, called an auditor, must inspect all the financial records of most companies. The auditor has to look at the creditors and the debtors of a company. Creditors are the people, including banks and other companies, who the company owes money to. Debtors are all the people who owe money to the company. The auditor must be satisfied that the annual financial records are accurate.

(Catherine, Mason, 2016, pp. 327)

Question

1. Who are the employees?
2. Who are the board of directors?
3. What do the directors of a company do?
4. What does service agreement contain?
5. What does an accountant do?
6. What does paperwork in company deal with?
7. What does an auditor do?
8. What are creditors?
9. What are debtors?

Answer

1. Who are the employees?

- People who work for the company.

In the text:

“The people who work for the company are the employees.”

Cont....

2. Who are the board of directors?

- The directors who have power to run the company.

In the text:

“The people who have the power to run the company are the directors. The directors are called the Board of Directors”.

Cont....

3. What do the directors of a company do?

- They run the company and also make all the decisions about the company.

In the text:

“The people who have the power to run the company are the directors.... They make all the decisions about the management of the company.”

Cont....

4. What does service agreement contain?

- It contains detail of the director's position, remuneration, obligations, duties, and requirements.

In the text:

“The directors have service agreement with the company. The agreement contains all the details of the director's position, remuneration, obligations, requirements, and confidentiality clause”.

Cont....

5. What does an accountant do?

- An accountant usually deals with the financial paperwork of the company.

In the text:

“Company usually employs an accountant to deal with all this financial paperwork”.

Cont....

6. What does paperwork in company deal with?

- Paperwork deals with payroll e.g. salaries and wages, sending and paying invoices.

In the text:

“Some of this is financial paperwork, for example, dealing with the payroll, which means calculating salaries and wages for for the employees. It also involves sending invoices to people who buy goods and services from the company and paying invoices from suppliers”.

Cont....

7. What does an auditor do?

- An auditor inspects all the financial records of the company.

In the text:

“Each year, a qualified accountant, called an auditor, must inspect all the financial records of most companies. The auditor has to look at the creditors and the debtors of a company

Cont....

8. What are creditors?

- Creditors are people who the company owes money to.

In the text:

“Creditors are the people, including banks and other companies, who the company owes money to.”

Cont....

9. What are debtors?

- Debtors are the people who owe money to the company

In the text:

“Debtors are all the people who owe money to the company”.

Exercise

Put the correct word from the key vocabulary into the sentences below.

1. Tumpal, Yuven, and Umbu are _____ of the company. It is established 2023.
2. The J&J company is separate from its _____ who is the shareholders of the company.
3. They have the _____ to run the company
4. The _____ of the company agree to expand its partnership with other companies.
5. The board of directors make right _____ over the employment matter in that company.
6. After financial inspection, the auditor is _____ with the financial paperwork in that company.
7. The company has an excellent financial _____.
8. Lots of companies _____ money to the big banks.

Answer

1. Tumpal, Yuven, and Umbu are **founders** of the company. It is established 2023.
2. The J&J company is separate from its **owners** who are the shareholders of the company.
3. They have the **legal entity** to run the company
4. The **shareholders** of the company agree to expand its partnership with other companies.

Answer

5. The board of directors make right **decisions** over the employment matter in that company.
6. After financial inspection, the auditor is **satisfied** with the financial paperwork in that company.
7. The company has an excellent financial **records** .
8. Lots of companies **owe** money to the big banks.

Put the correct words for following statements

1. I invested 100 million rupiah in Hammu Luri Ltd by buying shares in the company. I am a _____ of the company. I am also known as the member of the company.
2. Hammu Luri Ltd took out loan from us 8 months ago. They owe us 500 million rupiah. We are a _____ of Hammu Luri Ltd.
3. I work for Hammu Luri Ltd as their _____. I deal with all the financial transactions of the company. For example, I send invoices to people and pay our suppliers.
4. I am one of the Hammu's _____ I work in the sales department. I like working here. I receive good salary and I also receive a commission on any new sales.
5. I bought some goods from Hammu Luri Ltd 2 weeks ago. The cost of the goods is 5 million rupiah. I have invoice for these goods, which I must pay next week. I am a _____ Hammu Luri Ltd.

Answer

1. I invested 100 million rupiah in Hammu Luri Ltd by buying shares in the company.
I am a **shareholder** of the company. I am also known as the member of the company.
2. Hammu Luri Ltd took out loan from us 8 months ago. They owe us 500 million rupiah.
We are a **creditor** of Hammu Luri Ltd.
3. I work for Hammu Luri Ltd as their **accountant** .
I deal with all the financial transactions of the company. For example, I send invoices to people and pay our suppliers.

Cont....

4. I am one of the Hammu's **employees** I work in the sales department. I like working here. I receive good salary and I also receive a commission on any new sales.
5. I bought some goods from Hammu Luri Ltd 2 weeks ago. The cost of the goods is 5 million rupiah. I have invoice for these goods, which I must pay next week.
I am a **debtor** of Hammu Luri Ltd.

Main idea

According to Beech, Linda (2006) main idea is the central main point, most important message that the paragraph is talking about. Linda further stated that main idea is talking about the big picture of the passage.

Main idea

“When the founders of a new company register the company at Companies House, the company exists as a separate legal entity. This is important as it means that the company is separate from its owners, who are the shareholders of the company. Shareholders are also known as the members of the company”.

What is the main idea of the paragraph?

The main idea is:

When a company is registered, it becomes a separate legal entity from its owners as the shareholders.

Connectors: *and, but, or*

The connectors ***and, but, or*** connects words, phrases, or sentences

- Tumpal ***and*** Yuven are the founders of the company.

The ***and*** connects words Tumpal *and* Yuven

- The employees demanded a raise ***but*** the employer rejected it.

The ***but*** connects the clause the employees and the the employer

- Do you want to work in this company ***or*** that company?

The ***or*** connects this company and that company.

The areas of company law talk about:

- company
- shareholders
- directors of the company
- auditor
- creditor
- debtor

Cont....

- Main idea is the central main point of the paragraph
- Main idea is talking about the big picture of the passage.

Cont....

The connectors *and*, *but*, and *or* connects words, phrases, or sentences

References

1. Azar, S., Betty. (2003). *Fundamentals of English Grammar* (3rd ed.). Pearson Longman
2. Beech, W., Linda. (2006). *Main ideas & Summarizing*. Scholastic Inc.
3. Catherine, Mason. (2016). *The Lawyer's English Language Teaching Coursebook* (2nd ed.). Global Legal English LTD.

Terima kasih