

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

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### SOCIAL RESPONSIBILITIES OF BUSINESS AND

#### BUSINESS ETHICS

1. **Business Finance** It refers to capital funds and credit funds invested in the business.

According to **BO Wheeler**, "Finance is that business activity which is concerned with the acquisition and conservation of capital fund in meeting the financial needs and over all objectives of business enterprise.

2. **Formation of Company** There are two stages in the formation of private company, promotion and incorporation. A public company has to under go capital subscription stage and to the get certificate of commencement of business, to begin operation.

3. **Promotion of a Company** Promotion is the first stage in the formation of a company. It involves conceiving a business opportunity and taking an initiative to form a company so the particular shape can be given to exploiting the available business opportunity.

#### 4. Functions of a Promoter

(i) **Identification of Business Opportunity** The foremost activity of a promoter is to identify a first and business opportunity.

(ii) **Feasibility Studies** The promoters undertake detailed feasibility studies to investigate all aspects of the business they intend to start. There are three types of feasibility

(a) Technical feasibility

(b) Financial feasibility

(c) Economic feasibility

(iii) **Name Approval** Having decided to launch a company. the promoters have to select a name for it and submit.

(iv) **Fixing up Signatories to the Memorandum of association** Promoters have to decide about the members who will be signing the memorandum of association of the proposed company.

(v) **Appointment of Professionals** Certain professionals such as mercantile bankers, auditors etc are appointed by the promoters.

(vi) **Preparation of Necessary Documents** The promoter takes up steps to prepare certain legal documents. Which have to be submitted under the law

#### **5. Documents Required to be Submitted**

- (i) Memorandum of Association
- (ii) Articles of Association
- (iii) Consent of Proposed Directors
- (iv) Agreement
- (v) Statutory Declaration
- (vi) Payment of Fee

**6. Position of Promoters** Promoters undertake various activities to get a company registered and get it to the position of commencement of business. But they are neither the agents nor the trustee of the company. They can't be the agents as the company is yet to be incorporated.