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Course: Financial Accounting

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List and discuss five other reasons why it may be beneficial to convert an limited liability to a partnership business.

1)More Assistance

2)No owner/Manager distinction

3)Flexibility

4)Number of Shareholders

5)Assets and Liabilities

1)More Assistance

limited partner can help manage the company in addition to providing information and skills unlike in a limited liability company.

2)No owner/Manger distinction

A limited liability partnership has partners, who own and manage the business. This is different from a limited liability

company, whose directors may be different from shareholders.

3)Flexibility

Limited liability partnership are very flexible in that they allow partners to pick and choose how they wish to invest within the company which is beneficial to individual partners.

4)Number of shareholders/partners

Unlike limited liability companies (shareholders limited to 50) when it is converted to a partnership business, can have unlimited number of partners.

5)Assets and Liabilities

All the assets and liabilities of the Company immediately before the conversion become the assets and liabilities of the Limited liability partnership.