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## **COURSE CODE: ACC301**

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**Reasons Why It's Beneficial for a Limited Liability Company to Convert to a Partnership Firm**

* **Taxes**
* **Flexibility**
* **Environment**
* **Control**
* **Informality**
* **Banking**
* **Taxes**

In a limited liability company taxes are been deducted from the company's profit as well as the members income after taxes as been deducted from the profit; that's like double taxation which is not done in a partnership business whereby taxes are only deducted from individuals income.

* **Flexibility**

A partnership business has a flexible structure . It's not has rigid, complex, restricted in its structure and operations like the limited liability company is.

* **Environment**

The environment in which a business operates like it's political, economical, socio-cultural, technological, ecological and legal may be the reason while a limited liability company would want to convert to a partnership business. It's environment may not be suitable or favour the operations of the company but the partnership business may have more advantage on this.

* **Control**

In a Partnership business managers or owners are more participating in the day to day running of the business unlike the company that delegates power to directors to manage the business on their behalf. It's more effective and efficient when the owners participate in the operation of the business because of their devoted interest and effort than appointing people(directors) to control the business on their behalf; of who might be negligent of their works.

* **Informality**

A partnership business lacks formality associated with it's administration. It does not require the maintenance of minutes or resolution and typically involves less complicated paperwork.

* **Banking**

Checks made out to a limited liability company cannot be cashed; they must be deposited into a corporate account. Some banks have higher fees just for businesses that are incorporated.