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DEPARTMENT : ACCOUNTING

***ACC 301 ASSIGNMENT : BENEFITS OF CONVERTING FROM LIMITED LIABILITY COMPANY TO PARTNERSHIP.***

The following are the benefits gained from converting a partnership to a limited liability company:

* **Legal activities:** a limited liability company has a long list of activities and documents needed by the government and legal bodies in order to commence. It is also compulsory for their financial records to be audited however a partnership doesn't.
* Decision making is faster because there are less partners involved in a business.
* **Ease of starting:** a partnership is a much simpler business to start up as compared to limited liability company. Partners simply have to draw up an agreement make sure its documented and then sign it. Registration with the registrar of companies isn't mandatory but advisable. Whereas the incorporation of a limited liability company is a complex task and It is fairly complex compared to partnerships
* Members of a partnership have more say in managing it's affairs unlike a limited liability company and participate in the day-to-day running of the business.
* It is less formal and has fewer obligations as well as publicity formalities
* It is easier to change the legal structure later should circumstances change.

However it is unlikely that a limited liability company will convert to a partnership.