

الجمهورية الجزائرية الديمقراطية الشعبية  
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وزارة التعليم العالي والبحث العلمي

MINISTERE DE L'ENSEIGNEMENT SUPERIEUR ET DE LA RECHERCHE SCIENTIFIQUE

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Department of Finance & Accounting



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كلية العلوم الاقتصادية والتجارية  
وعلوم التسيير  
قسم العلوم المالية والمحاسبة

# ENGLISH FOR FINANCE AND BANKING

## Masters (2)

Course for Master students in Finance and Banking

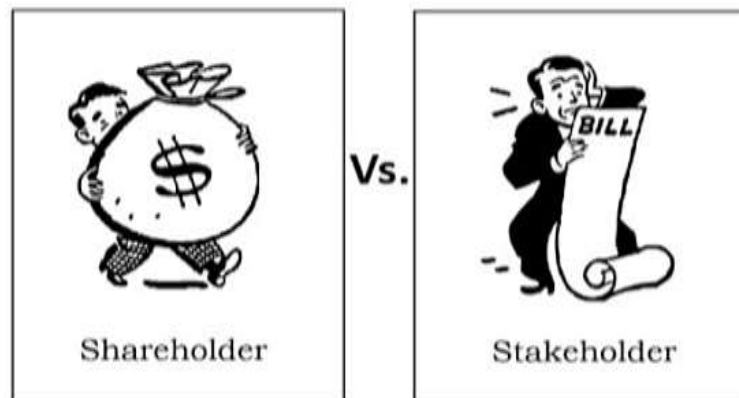
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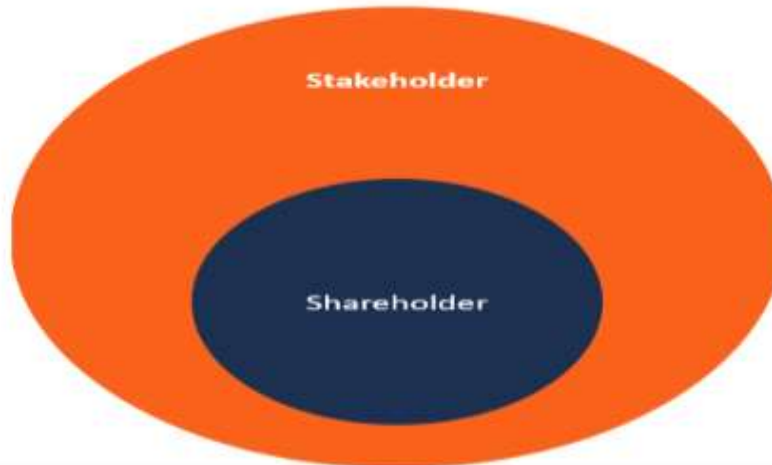
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## Chapter 5

### SHAREHOLDERS AND STAKEHOLDERS

- A **shareholder** owns part of a public company through shares of stock, while a **stakeholder** has an interest in the performance of a company for reasons other than stock performance or appreciation.
- A **shareholder** can be an individual, company, or institution that owns at least one share of a company and therefore has a financial interest in its profitability. (A shareholder can also be known as a stockholder).
- **Stakeholders** are those who either affect or are affected by a project or company. They have a "stake" in its success or failure. Stakeholders might be shareholders or owners.
- **Shareholders** are always stakeholders in a corporation, but **stakeholders** are not always shareholders.





### ➤ **Types of shareholders**

There are two types of shareholders:

- **Common shareholders:** Anyone who owns common stock in a company. Common stock gives you part ownership of the company and often has higher rates of return over the long term. Common shareholders can vote on board members or other company policies.
- **Preferred shareholders:** Anyone who owns preferred stock. Preferred stock has lower rates of return in the long term but guarantees a yearly dividend. Preferred shareholders can't vote on policies or board members, but they can claim assets before common shareholders if a company fails and its assets are liquidated.

### ➤ **Types of stakeholders**

Stakeholders can be divided into two types:

- **Internal stakeholders:** Those who are employed by the company or have a direct relationship with it. These are usually employees, shareholders, executives, and partners.

- **External stakeholders:** Those who are impacted by your company but don't have a direct relationship with it. These are usually customers, suppliers, and community members.