

Chart of difference between Partnership and Company

Points of differences	Partnership	Company
Meaning	The meaning of partnership is an association of two or more persons who are jointly run the business with the aim to earn a profit	A company is a legal entity formed by a group of individuals to engage in commercial or industrial business.
Formation	The partnership is formed by the agreement between all the partners.	The company is formed by getting registration under the company act.
Liability	The liability of partners is unlimited under the partnership.	The liability of the members is limited according to the capital invested by them.
Management	All the business operation are managed by all the partners.	The Board of directors and professionals are managing the operations of the company.
Continuity	A partnership firm may be dissolved on the death, insolvency of any partner.	The company stable and continues as the death of any member does not affect the existence of the company.
Legal entity	In partnership, no separate legal entity from its members.	The company is a separate legal entity from its members.
Governed by	It is governed by a partnership Act.	The company is governed by the Companies Act.
Profit	In a partnership firm, profit is distributed between the partners according to the agreement or partnership deed.	In the company, profit is distributed according to the number of shares of the members.
Secrecy of the business	In partnership, business secrets are shared among all the partners.	Capital is contributed by large financial resources.