



P-Glossary



Stock

A share of stock implies a share of ownership in a company. A shareholder is an individual or corporation that legally owns one or more shares of stock in a company. Companies listed on the stock market are expected to enhance their shareholders' value.

Typically, a stockholder becomes a shareholder by purchasing either common stock (ordinary shares) or preferred stock (preferred shares). Common stock and preferred stock differ under certain conditions. Owners of common stock are entitled to vote at shareholders' meetings, while owners of preferred stock have no voting rights. Preferred stock owners receive an annual dividend prior to common stockholders and are ranked ahead of common stock owners in the event of company liquidation.
