

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

### FORMS OF BUSINESS ORGANISATION ( H.W)

#### Multiple Choice Questions

#### Tick the appropriate answer

- The structure in which there is separation of ownership and management is called
  - Sole proprietorship
  - Partnership
  - Company
  - All business organisations
- The *karta* in Joint Hindu family business has
  - Limited liability
  - Unlimited liability
  - No liability for debts
  - Joint liability
- In a cooperative society the principle followed is
  - One share one vote
  - One man one vote
  - No vote
  - Multiple votes
- The board of directors of a joint stock company is elected by
  - General public
  - Government bodies
  - Shareholders
  - Employees
- Profits do not have to be shared. This statement refers to
  - Partnership
  - Joint Hindu family business
  - Sole proprietorship
  - Company
- The capital of a company is divided into number of parts each one of which are called
  - Dividend
  - Profit
  - Interest
  - Share
- The Head of the joint Hindu family business is called
  - Proprietor
  - Director
  - Karta*
  - Manager
- Provision of residential accommodation to the members at reasonable rates is the objective of
  - Producer's cooperative
  - Consumer's cooperative
  - Housing cooperative
  - Credit cooperative
- A partner whose association with the firm is unknown to the general public is called
  - Active partner
  - Sleeping partner
  - Nominal partner
  - Secret partner

### Short Answer Questions

1. Compare the status of a minor in a Joint Hindu family business with that in a partnership firm.
2. If registration is optional, why do partnership firms willingly go through this legal formality and get themselves registered? Explain.
3. State the important privileges available to a private company.
4. How does a cooperative society exemplify democracy and secularism? Explain.
5. What is meant by 'partner by estoppel'? Explain.
6. Briefly explain the following terms in brief.
  - (a) Perpetual succession
  - (b) Common seal
  - (c) *Karta*
  - (d) Artificial person

### Long Answer Questions

1. What do you understand by a sole proprietorship firm? Explain its merits and limitation?
2. Why is partnership considered by some to be a relatively unpopular form of business ownership? Explain the merits and limitations of partnership.
3. Why is it important to choose an appropriate form of organisation? Discuss the factors that determine the choice of form of organisation.
4. Discuss the characteristics, merits and limitation of cooperative form of organisation. Also describe briefly different types of cooperative societies.
5. Distinguish between a Joint Hindu family business and partnership.
6. Despite limitations of size and resources, many people continue to prefer sole proprietorship over other forms of organisation? Why?

### Application Questions

1. In which form of organisation is a trade agreement made by one owner binding on the others? Give reasons to support your answer.
2. The business assets of an organisation amount to Rs. 50,000 but the debts that remain unpaid are Rs. 80,000. What course of action can the creditors take if
  - (a) The organisation is a sole proprietorship firm
  - (b) The organisation is a partnership firm with Anthony and Akbar as partners. Which of the two partners can the creditors approach for repayment of debt? Explain giving reasons