

Chapter 2 Forms of Business Organization

One Mark Questions

1. Name any one form of Business Organization.
2. Give the meaning of Sole Proprietorship.
3. Give an example for Sole Proprietorship.
4. State the nature of liability of a Sole Proprietor.
5. Name the form of business organization which is found only in India?
6. In which country only do you find Hindu Undivided Family Business?
7. Which Law governs Hindu Undivided Family in India?
8. Give the meaning of Hindu Undivided Family.
9. Who is the head of Hindu Undivided Family Business?
10. Who is Karta?
11. Who are co-parceners?
12. State the nature of liability of Karta.
13. State the nature of liability of co-parceners.
14. State the minimum number of persons required to set up a partnership.
15. What is the maximum number of partners in a partnership firm carrying on banking business?
16. Which Act governs partnership business in India?
17. Who is a Minor Partner?
18. State any one consequence of Non-Registration of Partnership firm.
19. State any one type of Partnership.
20. Which Act governs Co-operative Societies in India?
21. State the minimum number of persons required to form a co-operative society.
22. State the nature of liability of the members of co-operative societies.
23. State the main objective of co-operative societies.
24. State the voting principle in co-operative societies.
25. Mention any one type of co-operative societies.
26. Which Act governs the Joint Stock Companies in India?
27. State any one type of Joint Stock Companies.
28. Mention the minimum number of members in a private company.
29. Mention the maximum number of members in a private company.
30. Mention the minimum number of members in a public company.

31. Mention the maximum number of members in a public company.
32. Name the type of company in which its shares are freely transferable.
33. Which type of company restricts the free transferability of its shares?
34. State any one feature of public company.
35. State any one feature of private company.
36. State the minimum amount of capital required to form a public company.
37. State the minimum amount of capital required to form a private company.

Multiple choices One Mark Questions

1. Profits do not have to be shared. This statement refers to
 - (a) Partnership
 - (b) Joint Hindu family business
 - (c) Sole Proprietorship
 - (d) Company
2. The Head of the Joint Hindu family business is called
 - (a) Proprietor
 - (b) Director
 - (c) Karta
 - (d) Manager
3. Karta in a Joint Hindu family business has
 - (a) Limited liability
 - (b) Unlimited liability
 - (c) No liability for debts
 - (d) Joint liability
4. The maximum number of partners allowed in the banking business is
 - (a) Twenty
 - (b) Ten
 - (c) No limit
 - (d) Two
5. A Partner whose association with the firm is unknown to the general public is called
 - (a) Active partner
 - (b) Sleeping partner
 - (c) Nominal partner
 - (d) Secret partner
6. In a cooperative society the principle followed is
 - (a) One share one vote
 - (b) One man one vote
 - (c) No vote
 - (d) Multiple votes
7. Provision of residential accommodation to the members at reasonable rates is the objective of
 - (a) Producers' cooperative
 - (b) Consumers' cooperative
 - (c) Housing cooperative
 - (d) Credit cooperative
8. The structure in which there is separation of ownership and management is called
 - (a) Sole proprietorship
 - (b) Partnership
 - (c) Company
 - (d) All the above business organizations
9. The capital of a company is divided into a number of parts each one of which is called
 - (a) Dividend
 - (b) Profit
 - (c) Interest

- (d) Share
- 10. Minimum numbers of members to form a private company is
 - (a) Two
 - (b) Three
 - (c) Five
 - (d) Seven
- 11. Minimum number of members to form a public company is
 - (a) Five
 - (b) Seven
 - (c) Twelve
 - (d) Twenty one
- 12. Board of Directors in joint stock company is selected by
 - a) General Public
 - b) Government agencies
 - c) Shareholders
 - d) Employees

Two Marks Questions

1. State any two merits of Sole Proprietary Organization.
2. Specify any two demerits of Sole Proprietary Organization.
3. Give the meaning of Hindu Undivided Family business
4. State any two features of Hindu Undivided Family business.
5. Define Partnership.
6. State the minimum and maximum number of partners in a partnership firm.
7. Who is an Active Partner?
8. Who is a Sleeping Partner?
9. Who is a Nominal Partner?
10. Who is a Partner by Estoppel?
11. Compare active partner with partner by estoppel by taking capital contribution and sharing of profits and losses as bases.
12. Give the meaning of Partnership Deed.
13. State any two contents of Partnership Deed.
14. What is Particular Partnership?
15. What is Partnership at Will?
16. What is General Partnership?
17. Give the meaning of unlimited liability.
18. State any two consequences of Non-Registration of partnership firm.
19. Give the meaning of Co-operative Societies.
20. State the minimum and maximum number of members in Co-operatives.
21. State any two types of Co-operative Societies.
22. Give the meaning of Consumers' Co-operative Societies.
23. Give the meaning of Producers' Co-operative Societies.
24. Give the meaning of Housing Co-operative Societies.
25. Give the meaning of Marketing Co-operative Societies.
26. Give the meaning of Farmers' Co-operative Societies.
27. Give the meaning of Credit Co-operative Societies.
28. State any two advantages of Co-operative Societies.
29. State any two limitations of Co-operative Societies.
30. Give the meaning of a Joint Stock Company.
31. Define Joint Stock Company.
32. State any two features of Joint Stock Company.
33. State any two features of a private company.
34. State any two features of a public company.
35. State the minimum and maximum number of members in a public company.

36. State the minimum and maximum number of members in a private company
37. State any two differences between public and private companies.
38. State any two merits of Joint Stock Company.
39. State any two limitations of Joint Stock Company.

Four Marks Questions

1. Explain briefly any four features of Sole Proprietorship form of business organisation.
2. Explain briefly any four merits of Sole Proprietorship form of business organisation.
3. Explain briefly the limitations sole proprietorship form of business organisation.
4. Explain briefly any four features of Hindu Undivided Family business.
5. Explain briefly the merits of Hindu Undivided Family business.
6. Explain briefly the limitations of Hindu Undivided Family business.
7. Explain briefly any four features of Partnership.
8. Explain briefly any four merits of Partnership.
9. Explain briefly the limitations of Partnership.
10. Explain briefly the types of Partnership.
11. Explain briefly any four types of partners.
12. Explain briefly the procedure for the registration of Partnership firm.
13. State any eight contents of Partnership Deed.
14. Explain briefly any four features of Co-operative societies.
15. Explain briefly any four merits of Co-operative societies.
16. Explain briefly any four limitations of Co-operative societies.
17. Explain briefly any two types of Co-operative societies.
18. Explain in brief any four features of Joint Stock Companies.
19. Explain in brief any four merits of Joint stock Companies.
20. Explain in brief any four limitations of Joint stock Companies.
21. State any four privileges of a private company as against a public company.
22. State any four differences between public and private companies.

Eight Marks Questions

1. Explain the merits and demerits of Sole Proprietorship form of business organization.
2. Explain any four merits and four limitations of Partnership form of business.
3. Explain the types of co-operative societies.
4. Explain any four merits and four limitations of Co-operative societies.
5. Explain the features of Joint Stock Company.
6. Explain any four merits and four limitations of Joint Stock Company.