

Chapter - 2

Forms of Business Organisations

1 MARK QUESTIONS

- Q1. Write the name of form of business organization found only in India.
- Q2. Name two types of business in which sole proprietorship is very suitable.
- Q3. Name the person who manages a Joint Hindu Family business.
- Q4. Write the names of systems which govern membership in Joint Hindu Family business.
- Q5. Enumerate the two conditions necessary for formation of Joint Hindu Family business.
- Q6. What is the minimum no. of persons required to form a co-operative society?
- Q7. Explain the meaning of unlimited liability.
- Q8. Name the type of co. which must have a minimum paid up capital of 5lakhs.
- Q9. What is meant by minimum subscription?
- Q10. Identify a company which has no restriction of on transfer of shares.
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- Q11. Explain the concept of mutual agency in partnership with suitable example.
- Q12. What is the rate of Karta in Joint Hindu Family business?
- Q13. Name the types of company which two persons can start.
- Q14. What is meant by partner by estoppels?
- Q15. What is secret partner?

Q16. Write a short note on producer co-operative society.

Q17. Explain a co-operative organization in democratic setup.

Q18. Shiv, Anandi & John were partners. John died in a car accident. Both Shiv & Anandi decided to admit his son Ryan who was 16 years old as a partner. Can they do so? Justify.

[Hint: Minor as a partner]

Q19. Mr. Singh is in 'lighting' business for the past 15 years. To help his friend, Mr. Yadav, a beginner, he projected himself as a partner before Mohd. Abdul, a whole sale dealer of fancy lights. Mohd. Abdul gave Mr. Yadav the stock without asking for payment and gave him a credit limit of one month. Will Mr. Singh be liable to Md. Abdul if Mr. Yadav does not pay him on time? Classify Mr. Singh's role here along with an explanation.

[Hint: Partner by Estoppels]

Q20. Akriti, Sonam & Supreeti were friends who started a partnership business. They did not get their firm registered as it was optional. Soon,

Sonam & Supreeti started having conflicts. Sonam wanted to approach a lawyer. If you were a lawyer, then how would you guide her?

Q21. Mangal, Sazia & Suqhbear Singh wish to start a business in partnership. They want to make a partnership deed. Suggest what aspects of the deed should be included in it?

Q22. Explain any four limitations of Joint Stock Company.

Q23. Differentiate between private co. and public company.

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Q24. Mr. Amitkumar is interested in the floatation of a company. Briefly discuss the steps he should take.

Q25. Discuss the reasons of superiority of joint stock company over sole proprietorship and partnership.

Q26. Which form of business is suitable for following types of business and why?

- (a) Beauty Parlour
- (b) Coaching Centre for science students
- (c) Hotel
- (d) Shopping mall
- (e) Restaurant
- (f) Small retail business.

Q27. Dhirubhai Chaurasiya operates a textile business. His family is joint and has a lot of ancestral property. All the 15 family members are a part of this business. He is the eldest male member in the family so he heads the business. He is liable to all the creditors of the business as he is the decision maker. Dhirubhai's grandson has just born a few days ago and he is also the member of the business.

- (a) Which form of business is being undertaken by Dhirubha Chaurasiya?
- (b) Identify the features of this form of business based on the information given.
- (c) Textile business is part of which type of industry according to you?

Q28. "Every day Amul collects milk from 2.12 million farmers (many illiterate) & converts the milk into branded packaged products & delivers goods all over the country. The story of Amul started in Dec, 1946 with a group of farmers been to free themselves from intermediaries, gain access to the market & there by ensure maximum returns for their efforts"

- (a) From the above information, identify the form of business organization used by Amul.
- (b) Also quote the line which suggest its features?
- (c) According to you, Amul is part of which type of industry?

Q29. Mohan, Shan and Rajesh are brothers living in a village Mohan is a farmer. He grows sugar cane in his field sohan is manufacturer of sugar who is doing the business with his

friends Rohan Singh and Jitender. Ramesh is a transporter. He sells the sugar in the city using his truck. This year the sugar got spoiled due to heavy rain. Shan and his friends reduced the wages of his workers to cut down their losses.

1. Classify the business activity undertaken by Mohan & Rajesh.
2. What form of business is Shan doing with his friends. Write any two features of the form?
3. Which value is violated by Shan & his friends?
4. What type of business risk is faced by them? Explain

Q30. Rahul and Sanchali felt that there was an opportunity of business in providing a service of online grocery stores for working people. They analyzed the idea in terms of technical, financial and economic liability. Once they found all the aspects satisfactory they decided to start a company called 'convenience home' private Ltd. They got the name registered with the registrar.

- (a) Which steps of formation of company are being referred to here?
- (b) Also write the next 3 steps associated with it.

[Hint: steps in promotion of a company]

Q31. Lakhvinder Singh is confused as to which form of business he should follow for his garment business. You are his friend. Help him by rationally discussing the different factors so that he can take a sound business decision.