

# *Doon Public School*

A Senior Secondary School  
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**Assignment – 2**

**Subject: Business Studies**

**Class: XI**

**Date: 22-05-2018**

1. In which form of organization is a trade agreement made by one owner binding on the others? Give reasons to support your answer.
2. The business assets of an organization amount to Rs. 50,000 but the debts that remain unpaid are Rs. 80,000. What course of action can be creditors take if
  - (a) The organization is a sole proprietorship firm.
  - (b) The organization is a partnership firm with Anthony and Akbar as partners. Which of the two partners can be creditors approach for repayment of debt? Explain by giving reasons.
3. Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail art to a retail chain with three branches in the city. Although she looks after the varied functions in all the branches, she is wondering whether she should form a company to better manage the business. She also has plans to open branches countryside.
  - (a) Explain two benefits of remaining a sole proprietor.
  - (b) Explain two benefits of converting to a joint stock company.
4. Rita and Mita are running a confectionery shop in a club. Both have invested a capital of Rs. 5 lakhs each. They share profit and losses in an equal ratio.
  - (a) Identify the form of business organization under which Rita and Mita have promoted their business.
  - (b) State any three features of this form of business organization.
5. Ved has allowed Shrey and Gaurav for using his name for the sports equipment manufacturing unit recently promoted by them as partners. But, Ved will not take active part in managing the firm and neither share its profits or losses.
  - (a) Will Ved be considered as a partner in the firm? Explain,
  - (b) Also, comment upon the kind of liability Ved will have to assume under such circumstances.
6. Yash, Anmol and Gaurav are partners in a firm. Yash and Anmol are very upset due to untimely demise of Gaurav and wish to help his family. On the suggestion of their common friend Sahil, Yash and Anmol decide to include Gaurav's 14 years old son Geet in their business. In context of the above case:
  - (a) Comment upon the status of Geet as a partner.
  - (b) Will the status of Geet change when he attains majority? Explain.
7. Mr. Lalit Aggarwal owns an ancestral house in Shimla. On the advise of his friend he converts it into a lodge with renovation. The revenue from the lodge helps to supplement his income substantially. On his death the property(lodge) is inherited by his three sons in order of their age namely, Lakshay, Luv and Lok who carry on with the business under the form of Joint Hindu Family Business. In context of this case:
  - (a) Name the law which governs the Joint Hindu Family Business.
  - (b) Who amongst the three brothers has the right to exercise control over the family business?
  - (c) Comment upon the liability of the three brothers.