Exam

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Sub - O.C.M

Q1] A)

1) b) - law

2) a) - political

3) c) - elective

4) b) - legal

5) a) - common seal

B)

1) True

2) False

3) False

4) False

5) False

C)

1) Privatization

2) Sole proprietorship

3) Management

4) Executive management

5) Start up India

Q2]

1) A sole-trader does not necessarily work "alone" it is possible for the sole trader to employ other people.

A joint stock company is a business entity in which shares of the company's stock can be bought & sold by shareholders.

2)

	Economic Development	Social Development
1)	Is a process in which agriculture, industry, trade, transport, irrigation, power	Is related to the improvements in health, education, housing, water.
2)	Economic development can be achieved by creating employment opportunities.	If people are poor they can suffer from malnutrition, sickness, etc.

3)

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3)

	Co-operative society	Partnership firm
1)	√Main motto is to provide services	√Main motto is to earn profit.
2)	√Minimum 10 members.	√Minimum of 2 partner.
3)	Shares can transfer in favor of society	√No partner can transfer his share in favor of others.

Q.3)

1) • Types of Partners:-

(i) √Active partner-
is one who takes active participation in the day-to-day working of the business. Active partner may act in different capacities such as manager, organizer, etc.

(ii) Secret partner-
who is not know to third-parties is termed as secret partner. His membership in the firm is kept secret from outsiders.

(iii) √Minor as partner-
a minor is person who has not attained 18 years of age. A minor cannot enter into a contract according to Indian act.

(iv) Partner in profits-
when partner agrees to share only profits of firm

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and would not be liable for its losses.

(v) Sub-partner-
which partner agrees to share their ~~own~~ own profit derived from the firm with a third-person.

(2) In any business it is important to be aware of the actions and strategies of your competitors. A business environment enables firms to analyze their competitors strategies & actions. The environment provides numerous opportunities to improve the performance of bussiness. Early identification gives an opportunity to an enterprise.

(3) Features of joint stock company.

(i) Registration-
is compulsory according to the Companies Act. Necessary registration fees are paid by the promoters. 'A Certificate of Registration'.

(ii) Artifical Legal person-
a company is an artifical person created by law. It can enter into contract with third parties after registration.

(iii) Seprate Legal Status-
there is a seprate legal existence of joint stock company. It is a separate legal entity apart from its members.

(iv) Common seal-
it is necessary to make provision for the signatures of the company. Every joint stock company has a common seal.

(v) Membership-
in public limited company, minimum number of members are seven there is not limit for maximum number of members.

Q.4

1) Correct-
MNC's lead to competition in the host countries. Local monopolies of host countries either start improving their products or reduce their prices. MNC's compel domestic companies to improve their efficiency & quality.

2) Correct-
Banks play an important role in offering finance to business who wish to invest & expand. These loans & business investment are important for enabling economic growth.

Q.5

1) Features of Joint Hindu family business

(i) Exits only in India-
Joint Hindu family business exits only in India. It is guided by the Hindu Succession Act.

(ii) Membership- there is no limit on membership. One become a co-parcener by birth, or marriage.

(iii) Joint ownership-
the property of joint hindu family business is jointly

owned by the Karta & the co-parceners.

(iv) Management-

The joint hindu family business is managed by Karta. The co-parceners have no right to participate in management of family business.

(v) Profit sharing-

Joint hindu family business is not formed by an contractual agreement. There is not specific ratio of the profits & loss is shared by Karta & co-parceners.

2) Features of Profession-

(i) Aim-

every profession is practiced for earning money. Also they render services to their client & short their problems.

(ii) Capital-

profession can be practiced independently or professionals can work under person.

(iii) Non-transferability-

profession can not be transferred to other person on the will of professional.

(iv) Nature of work-

professionals charge fees in exchange of expert services.

(v) Qualification-

A profession can be practiced only after acquiring required qualification.

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3) Merits of Sole trading concern

(I) Easy formation-

the formation of Sole trading concern is very easy & simple. Minimum legal formalities are required for formation.

(II) Quick decisions-

sole trader takes quick business decisions. He may or may not consult anyone. Sole trader is not answerable to anybody.

(III) Direct motivation-

sole trader is the owner & manager. He enjoys the whole profit of business. He has direct motivation to earn more profit.

(IV) Lower cost-

the sole trader is sole manager of his business. He controls the activites of bussiness. He always try to minimize the wasteage which results into lower cost of operation.

(V) Efficiency-

as a sole trader enjoys the whole profit of his business, he tries to maximize his profits by reducing wastage in his business.

Q.6

1) Partnership is the relation between persons who have agreed to

share the profits of a business carried on by all or any of them acting for all.

Merits

(i) Easy formation-
it is a very easy to form partnership business. Only two persons are required to form.

(ii) Capital-
the partnership business has more capital as compared to sole trading concern. As partnership has more number of partners they can collect more capital.

(iii) Desicion making-
there is quick decision making in partnership as few partners are involved in decision making. The decisions are taken after detailed discussion among partners.

Demerits

(i) Disputes-
are common in partnership business as more than one individuals are involved.

(ii) Limitation on number of partner-
no partnership firm can go beyond limit of 50 partners.

(iii) Unlimited liability-
when the assets of the firm are not sufficient.