

27. Mr. Deepak Wadhwa and his brothers inherited some ancestral property. They had a joint family. They decided to start a business in which, only the family members will be participating. They took a loan of ₹ 50,00,000 from Axis Bank. But they were unable to repay the loan. And they also invested their ancestral property into business. Mr. Deepak being eldest, is entrusted with the job of taking decisions for the business.

- (a) What is the form of business Wadhwa family has started?
- (b) By what name is the senior most member of the family known as?
- (c) What is the nature of liability of the senior most member and other members?
- (d) By what name the other members are known in this particular form of business?
- (e) After the death of senior member, will the business comes to an end?

(5)

25. After passing his 12th class Shenoy started his own business. He invested ₹ 2,00,000 as capital which was given to him by his father. He obtained a loan of ₹ 1,00,000 from his elder brother Gurpreet, who was working as an assistant manager in ICICI Bank. In the first year he incurred a loss of ₹ 50,000 and had to pay to his suppliers their outstanding bills. This created a financial problem for him and he had to take loan of ₹ 1,00,000 from the ICICI Bank on the personal guarantee of his brother. He started doing hard work, lowered the prices and informed his customers about the qualities of goods sold by him. Because of this the sales increased four times and he earned a net profit of ₹ 75,000 in the second year.
- Identify the form of business organisation started by Shenoy.
 - What type of liability Shenoy has?
 - Will his father & brother will be responsible to pay back the amount to outsiders.
 - State any two features of such form of business organisation.

(5)

34. Rohit 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. Rohit'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 Rohit?
 - (b) Identify the features of this form of business highlighted in the above para.
 - (c) Textile business is a part of which type of industry according to you? State. (6)

Multiple Choice Questions

1. The structure in which there is separation of ownership and management is called
 - (a) Sole proprietorship
 - (b) Partnership
 - (c) Company
 - (d) All business organisations
2. The karta in Joint Hindu family business has
 - (a) Limited liability
 - (b) Unlimited liability
 - (c) No liability for debts
 - (d) Joint liability
3. In a cooperative society the principle followed is
 - (a) One share one vote
 - (b) One man one vote
 - (c) No vote
 - (d) Multiple votes
4. The board of directors of a joint stock company is elected by
 - (a) General public
 - (b) Government bodies
 - (c) Shareholders
 - (d) Employees