

Question 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

Answer: (c) Company

The organisational structure in which there is separation of ownership and management is called a company. In a company, management and ownership lie in the hands of different individuals. A company is owned by its shareholders, while its management is handled by a group of elected persons known as the board of directors. The board of directors in turn appoints the top officials for managing the day-to-day operations of the business.

Hence, the correct answer is option (c).

Question 2. The karta in Joint Hindu family business has

- (a) Limited liability
- (b) Unlimited liability
- (c) No liability for debts
- (d) Joint liability

Answer: (b) Unlimited liability

The karta is the eldest male member of a Joint



Question 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

Answer: (b) One man one vote

When individuals voluntarily join together to protect and promote their common interests, they form a cooperative society. A cooperative society is managed by an elected body known as the managing committee. The elections in cooperative societies are based on the principle of 'one man, one vote'. This principle guarantees equal voting rights to the members of a society, thereby preventing any discrimination in the body. Hence, the correct answer is option (b).

Question 4. The board of directors of a joint stock company is elected by

- (a) General public
- (b) Government bodies
- (c) Shareholders
- (d) Employees

Answer: (c) Shareholders

A joint stock company is owned by individuals known as shareholders. The shareholders elect the board of directors as the chief managing body of the company and grant it indirect control over the business. The board of directors in turn appoints the top officials for managing the business operations. Hence, the correct answer is option (c).

Question 5. Profits do not have to be shared. This statement refers to

- (a) Partnership
- (b) Joint Hindu family business
- (c) Sole proprietorship
- (d) Company

Answer: (c) Sole proprietorship

Profits do not have to be shared in a sole proprietorship form of business. This is because, in a sole proprietorship, the business is owned, managed and controlled by a single individual known as the sole proprietor. Thus, being the sole



Question 6. The capital of a company is divided into number of parts each one of which are called

- (a) Dividend
- (b) Profit
- (c) Interest
- (d) Share

Answer: (d) Share

The capital of a company is divided into a number of parts, each one of which is called a share.

These parts (or shares) are freely transferable except in the case of a private company. Hence, the correct answer is option (d).

Question 7. The Head of the joint Hindu family business is called

- (a) Proprietor
- (b) Director
- (c) Karta
- (d) Manager

Answer: (c) Karta

The head of a joint Hindu family business is called the karta. The karta is the eldest male member of a joint Hindu family who is responsible for the control and management of the joint Hindu family business and has unlimited liability.

Hence, the correct answer is option (c).

Question 8. Provision of residential accommodation to the members at reasonable rate is the objective of

- (a) Producer's cooperative
- (b) Consumer's cooperative
- (c) Housing cooperative
- (d) Credit cooperative

Answer: (c) Housing cooperative

A housing cooperative has the responsibility of ensuring the provision of residential accommodation to the members at a reasonable rate. A housing cooperative aims at providing accommodation to its members by constructing houses and giving them the option of paying the cost in installments.

Hence, the correct answer is option (c).

Question 9. 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

Answer: (d) Secret partner

A secret partner in a firm is a partner whose association with the firm is unknown to the general public. Secret partners do not contribute any capital to the business but have participation

