



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 2	Topic: Forms of Business Organisation

Multiple Choice Questions Tick the appropriate answer

1. The prospectus is issued by: -

- a) private co.
- b) public co.
- c) partnership
- d) HUF

2. The oldest form of business organization of India

- a) HUF business
- b) partnership
- c) public co.
- d) one-person co.

3. Application for approval of name of a company is to be made to

- a) SEBI
- b) Registrar of Companies
- c) Government of India
- d) State Government

4. What is the size of minimum subscription as per SEBI?

- a) 90%
- b) 92%
- c) 85%
- d) 80%

5. The minimum number of members required to form a cooperative society is

- a) Five
- b) Ten
- c) Twenty
- d) Two

6. Which of the following business organisation has service motive?

- a) Sole Proprietorship
- b) Joint Hindu Family

- c) Cooperative Society
- d) Company

7.. In a cooperative society, the power to take decisions lies in the hands of

- a) Elected Managing Committee
- b) Karta
- c) Board of directors
- d) Members

8. This type of cooperative society is set up with the aim of eliminating middlemen

- a) Producer's Cooperative Society
- b) Marketing Cooperative Society
- c) Consumer's Cooperative Society
- d) Farmer's Cooperative Society

9.The cooperative society is required to be registered under the Cooperative Society Act

- a) 2013
- b) 1932
- c) 1956
- d) 1912

10.Who undertakes the management & control of the affairs of the company on behalf of its owners?

- a) Board of Directors
- b) Departmental Heads
- c) Managing Directors
- d) Vice president

11.. Find out the liability of Kavita in a company. Who is a shareholder, holding 3,000 shares of Rs 10 each. She has already paid Rs. 6 per share.

- a) Rs 10,000
- b) Rs. 1,20,000
- c) Rs 18,000
- d) Rs. 12000

12. The directors take all decisions on behalf of the shareholders, keeping in mind their own benefit. Identify the demerit stated above.

- a) Delay in decision making
- b) numerous regulations
- c) Lack of secrecy
- d) oligarchic management

13. Which form of organisation is suitable if direct control over operations & absolute decision-making power is required in business?

- a) Joint Stock Co.
- b) cooperative society
- c) Sole proprietorship
- d) HUF

14. Minimum numbers of Board of Directors in any Private company can be

- (a) 3
- (b) 2
- (c) 4
- (d) 5

16. Minimum number to form any Private company is

- (a) 7
- (b) 5
- (c) 2
- (d) 10

17. Minimum members to form a public co. is

- a) 2
- b) 7
- c) 50
- d) 1

18. Capital clause specifies—

- a) authorised capital
- b) subscribed capital
- c) paid up capital
- d) issued capital

19. Which document is subsidiary of the MOA

- a) prospectus
- b) articles of association
- c) consent of directors
- d) table

20. The profit distributed among the shareholders is known as:

- a) incentives
- b) bonus
- c) interest
- d) Dividend

True/False Questions

21. Before commencing business, it is necessary to receive minimum subscription in Public Company.

22. Appointment of underwriters is necessary in the capital subscription stage.
23. A company inviting funds from general public must conceal any material information from potential investors.
24. Registration of a cooperative society is not compulsory
25. The cooperative society can be started with a minimum of two members
26. In a cooperative society each member is entitled to equal voting rights.
27. Farmers' cooperative society is set up to help people to construct houses at reasonable cost
28. Marketing cooperative society is established to help small producers in selling their products
29. Hardly any legal formalities are required for the formation of a company.
30. The common seal is engraved equivalent of an official signature of a company.
31. The shares of a public ltd. co. can easily be sold and can be converted into cash.
32. In a joint stock professional management is not possible.
33. Communication as well as approval of various proposals in a co. is done very quickly.
34. A Private company can raise funds after issuing prospectus
35. A Private company should appoint minimum three Board of Directors
36. Minimum Paid up capital to start any Private company is 1 lakh rupees.
37. The maximum members of any Private Ltd. Can be two hundred
38. There is no limit on maximum member in a public co. true
39. A co. is legally entitled to undertake an activity which is beyond the object clause.
40. Articles of association can be altered from time to time as per the act.
41. A public co. can commence the business after incorporation.

42. Issued capital of A tech ltd. was Rs. 50 cr, Co. gets the subscribed capital of Rs.44 cr. Now Co. can allot share to shareholders

43. Match up the work of professionals in capital subscription stage-

- | | |
|-----------------------|---|
| (i) Brokers
public | a) Buy the share if they are not subscribed by the public |
| (ii) Underwriters | b) Application money to be received |
| (iii) Bank | c) Sale of the share |

44. Match the following on the basis of the functions of the promoters-

- | | |
|-----------------------|---|
| (i) Feasibility study | a) Select name and submit it to registrar |
| (ii) Name approval | b) Detail study of business profitability |
| | c) Identifying the business opportunity. |

45. Match the following on the basis of choice of form of business organisation.

- | | |
|--|------------------------|
| i) Division of work among members | a) sole proprietorship |
| ii) Inexpensive way of starting a business | b) HUF |
| | c) Partnership |

46. following company can start business

- | | |
|---------------------|---|
| A | B |
| Private company | After receiving of certificate of incorporation |
| Public Ltd. Company | After receiving of certificate of business commencement Promotion |

47. Every day Amul collects 4, 47,000 liters of milk from 2.12 million farmers (many illiterate), converts the milk into branded, packaged products, and delivers goods worth Rs. 6 crores (Rs. 60 million) to over 5, 00,000 retail outlets across the country. It all started in December 1946 with a group of farmers keen to free themselves from intermediaries, gain access to markets and thereby ensure maximum returns for their efforts. Based in the village of Anand, the Khera District Milk Cooperative Union (better known as Amul) expanded exponentially. It joined hands with other milk cooperatives, and the Gujarat network now covers 2.12 million farmers, 10,411 village level milk collection centres and fourteen district level plants (unions). Amul is the common brand for most product categories produced by various unions: liquid milk, milk powder, butter, ghee, cheese, cocoa products, sweets, ice-cream and condensed milk. Amul's sub-brands include variants such as Amulspray, Amulspree, Amulya and Nutramul. The edible oil products are grouped around Dhara and Lokdhara, mineral water is sold under the Jal Dhara brand while fruit drinks bear the name Safal.

- a) Identify the form of organization

b) Explain any four types of organization identified above from the given information.

48. What are the functions of the promoter?

49. We the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.”

50. Identify the clause of the Memorandum of Association

51. Distinguish between ‘Memorandum of Association’ and ‘Articles of Association.’

52. Is it necessary for a public company to get its share listed on a stock exchange? What happens if a public company going for a public issue fails to apply to a stock exchange for permission to deal in its securities or fails to get such permission?

53. Merchant Ltd. Was issued certificate of incorporation by the Registrar on 10th March. However, the date mentioned on the certificate was 2nd March. The company entered into a contract for purchase of land with ABC Ltd. On 5th March. Later ABC Ltd. Refused to sell the land as it was getting much higher price from another buyer. Can Merchant Ltd. file a case against ABC Ltd. Give reasons in support of your answer.

54 Mrs. Indu started a voluntary association of 10 peoples, who are also consumers. She collected the capital by selling shares to members and opened a retail shop so that they can eliminate middlemen and get the goods at low price.

(a) State the type of organisation mentioned in above case.

(b) State any 2 merits organisation.

55. What do you mean by Statement in Lieu of Prospectus?