

EXAM-DAY · 90-MIN REVISION CARD

Forms of Business Organisation

Print this · Fold it · Carry to the exam-hall gate · Revise once · Then walk in.

FORMULAS & KEY RESULTS

5 FORMS = Sole Proprietorship · Joint Hindu Family (HUF) · Partnership · Cooperative Society · Joint Stock Company

MEMBERS: Sole prop = 1 · Partnership = min 2, max 50 (Companies Rules 2014) · Cooperative = min 10 · Private co. = 2 to 200 · Public co. = min 7, no max · OPC = 1

DIRECTORS: Private co. = min 2 · Public co. = min 3 · OPC = min 1

LIABILITY: Sole prop = UNLIMITED · General partnership = UNLIMITED (joint & several) · HUF = Karta unlimited, others limited · Cooperative = LIMITED · Company = LIMITED (to unpaid amount on shares) · LLP = LIMITED

CONTROL: Sole prop = owner alone · Partnership = all partners (mutual agency) · HUF = Karta only · Cooperative = one-member-one-vote (democratic) · Company = directors (separation of ownership & control)

PARTNERSHIP governed by the Indian Partnership Act 1932; **PARTNERSHIP DEED** = the written agreement; **REGISTRATION** is OPTIONAL but an unregistered firm cannot SUE third parties/partners

TYPES OF PARTNERS: active · sleeping(dormant) · secret · nominal · partner in profits only · partner by estoppel · partner by holding out; minor = admitted only to **BENEFITS** (limited liability)

TYPES OF PARTNERSHIP: general vs limited · partnership at will vs particular partnership · LLP (separate legal entity +

TOP 5 PYQ PATTERNS

- 1 Merits + limitations of joint stock company / sole proprietorship**
6 marks · 80% of years
Define + key feature, then 3 merits and 3 limitations, each with one explanatory line; never list one side only.
- 2 Types of partners / partnership deed contents / non-registration consequences**
5 marks · 70% of years
Name each type with its capital/management/liability status; for non-registration state 'cannot sue third parties or partners'.
- 3 Distinguish private vs public company (or sole prop vs partnership)**
5 marks · 65% of years
Tabulate on members, directors, share transfer, public invitation, name; quote the 2-200 / 7-no-max figures.
- 4 Features + types of cooperative society**
4 marks · 55% of years
Voluntary, min 10 members, one-member-one-vote, limited liability, service motive; name 4 types (consumers'/producers'/credit/housing).
- 5 Factors in choice of form OR who is a Karta**
3 marks · 55% of years
List cost/liability/continuity/capital/control/nature with one phrase each; Karta = eldest member who manages HUF with unlimited liability.

90-MIN REVISION FLOW

0-15 min
Draw the forms tree (5 forms) and the liability ladder from memory; write the member/director numbers beside each form.

15-32 min
Write the joint stock company merits-and-limitations 6-mark answer (3 each). Time: 8 minutes.

32-48 min
Write the 'types of partners' answer and the private-vs-public distinction table.

48-60 min
Recite cooperative features + 4 types, HUF/Karta points, and the 7 choice-of-form factors.

60-80 min
Take the 15-MCQ Quick Drill.

80-90 min
Review wrong answers + re-skim the liability and registration misconceptions.

limited liability, under LLP Act 2008)

COMPANY = separate legal entity + perpetual succession + common seal + limited liability + transferability of shares;
PRIVATE ('Pvt Ltd') restricts transfer & cannot invite public;
PUBLIC ('Ltd') free transfer & can issue prospectus

COOPERATIVE TYPES:

consumers' · producers' · marketing · farmers'(agricultural) · credit · housing — motive is SERVICE/ mutual help, not profit

CHOICE FACTORS: cost & ease of formation · liability · continuity · management ability · capital requirement · degree of control · nature of business

Confidence, not anxiety. You've practised this all year. Trust your steps. Don't change strategy on exam morning.
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