

QUICK DRILL · CBSE CLASS 11

Forms of Business Organisation

Business Studies · Chapter 2 · 15 MCQs · 20 minutes · PYQ-tagged with time budgets

DATE	TOTAL MARKS 15	DURATION 20 min	MARKING +1 / 0	TARGET ≥ 12/15
------	-------------------	--------------------	-------------------	-------------------

OBJECTIVES

Reinforce the four core topics of Forms of Business Organisation via 15 PYQ-derived MCQs. Identify weak sub-topics via concept-node IDs (see answer key). Build per-question time budget habit.

INSTRUCTIONS

Attempt all 15. Time budget shown per Q (use it as pacing guide). Mark answers (A/B/C/D) in the margin. Answer key + explanations on the last page. **Don't peek — score yourself honestly.**

SECTION · QUICK DRILL

Q 1-15 · 20 MIN

Q1. The liability of a sole proprietor is:

- (A) Limited to capital (B) Limited to shares
(C) Unlimited (D) Nil

PYQ 2022 · School Annual · 1m · 25s

Q2. The head of a Joint Hindu Family business who manages it is called the:

- (A) Coparcener (B) Karta
(C) Partner (D) Promoter

PYQ 2023 · CBSE SQP · 1m · 25s

Q3. Membership of a Joint Hindu Family business is acquired by:

- (A) Agreement (B) Birth in the family
(C) Purchase of shares (D) Government licence

PYQ 2021 · School Annual · 1m · 25s

Q4. Partnership in India is governed by the:

- (A) Companies Act 2013 (B) Indian Partnership Act 1932
(C) LLP Act 2008 (D) Cooperative Societies Act

PYQ 2022 · CBSE SQP · 1m · 25s

Q5. A partner who contributes capital and shares profits but does NOT take part in management is a:

- (A) Active partner (B) Sleeping partner
(C) Nominal partner (D) Partner by estoppel

PYQ 2023 · School Annual · 1m · 30s

Q6. Registration of a partnership firm in India is:

- (A) Compulsory (B) Optional
(C) Illegal (D) Automatic

PYQ 2022 · CBSE SQP · 1m · 25s

Q7. The written agreement containing the terms of a partnership is called the:

- (A) Memorandum (B) Prospectus
(C) Partnership deed (D) Articles

PYQ 2021 · School Annual · 1m · 25s

Q8. A Limited Liability Partnership (LLP) is governed by the:

- (A) Partnership Act 1932 (B) LLP Act 2008
(C) Companies Act 2013 (D) Contract Act 1872

PYQ 2023 · CBSE SQP · 1m · 25s

Q9. The minimum number of members required to form a cooperative society is:

- (A) 2 (B) 7
(C) 10 (D) 20

PYQ 2022 · School Annual · 1m · 25s

Q10. A cooperative society works on the principle of:

- (A) One-share-one-vote (B) One-member-one-vote
(C) Majority of capital (D) Karta's decision

PYQ 2023 · CBSE SQP · 1m · 25s

- Q11.** In a joint stock company, the liability of a shareholder is limited to:
(A) The whole company debt **(B)** The unpaid amount on shares held
(C) Their personal assets **(D)** Nil
PYQ 2022 · CBSE SQP · 1m · 30s
- Q12.** The continued existence of a company unaffected by the death of members is called:
(A) Common seal **(B)** Perpetual succession
(C) Limited liability **(D)** Mutual agency
PYQ 2021 · School Annual · 1m · 30s
- Q13.** The maximum number of members in a private company is:
(A) 50 **(B)** 100
(C) 200 **(D)** Unlimited
PYQ 2023 · CBSE SQP · 1m · 25s
- Q14.** Which company can invite the public to subscribe to its shares through a prospectus?
(A) Private company **(B)** Public company
(C) One Person Company **(D)** Cooperative society
PYQ 2022 · School Annual · 1m · 30s
- Q15.** Which factor would most strongly push a high-risk business toward a company form?
(A) Desire for full control **(B)** Need for limited liability
(C) Wish to keep secrets **(D)** Low cost of formation
PYQ 2023 · School Annual · 1m · 30s

ANSWER KEY & EXPLANATIONS

Q 1-15 · MARK YOUR SCORE

Q1. Answer: C

A sole proprietor has unlimited liability — personal assets can be used for business debts.

Q2. Answer: B

The Karta is the senior-most member who manages the HUF business.

Q3. Answer: B

HUF membership is by birth, unlike partnership which is by agreement.

Q4. Answer: B

Partnership is governed by the Indian Partnership Act, 1932.

Q5. Answer: B

A sleeping (dormant) partner shares profit/loss but does not manage.

Q6. Answer: B

Registration is optional, but an unregistered firm cannot sue third parties.

Q7. Answer: C

The partnership deed records the terms and conditions of the partnership.

Q8. Answer: B

LLPs are governed by the LLP Act, 2008.

Q9. Answer: C

A cooperative society needs a minimum of 10 adult members.

Q10. Answer: B

Cooperatives are democratic — one member, one vote, regardless of capital.

Q11. Answer: B

A shareholder is liable only to the extent of the unpaid amount on their shares.

Q12. Answer: B

Perpetual succession means the company's life is independent of its members.

Q13. Answer: C

A private company can have a maximum of 200 members.

Q14. Answer: B

Only a public company can issue a prospectus to the public.

Q15. Answer: B

Limited liability protects personal assets, favouring the company form for risky ventures.