

BCM SCHOOL, BASANT AVENUE, DUGRI ROAD, LUDHIANA
XI
BUSINESS STUDIES
ASSIGNMENT

1	<p>An Indian company deals in a type of trade in which it purchases (imports) Rubber from Thailand and sells the same to another company of Japan. Company is earning good volume of profit from its trade. Identify the type of trade followed by the company as discussed in the above case.</p> <p>(A) Wholesale Trade (B) Retail Trade (C) International Trade (D) Entrepot Trade</p>	
2	<p>ABC is one of the largest transportation industry in India provides services for different projects including residential, commercial office, retail, industrial, logistics, hospitality and other areas too. It's a familiar name among the business houses in the country because of the large dependency factor. Which type of Industry discussed in the above case?</p> <p>(A) Genetic Industry (B) Tertiary Industry (C) Processing Industry (D) Assembly Industry</p>	
3	<p>Sita is a practicing Chartered Accountant. She has her C.A. Firm at Ranchi. She deals in providing Income Tax and GST related services to her clients against very reasonable consultancy fees. She has her own professional coaching classes for C.A. Enrolled Students. Identify the types of economic activities performed by Sita as referred in the above case.</p> <p>(A) Business (B) Profession (C) Employment (D) None of the above</p>	
4	<p>Assertion (A) Personal assets of the partners may be used to pay-off business debts in case of insufficiency of business assets. Reason (R) Partners of a firm have unlimited liability.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is true, but Reason (R) is false (d) Assertion (A) is false, but Reason (R) is true</p>	
5	<p>Assertion (A) Timely decisions of sole proprietor help him/her to take advantage of market opportunities as and when they arise. Reason (R) Sole proprietorship can be easily started or dissolved at any time with minimum legal formalities.</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is true, but Reason (R) is false (d) Assertion (A) is false, but Reason (R) is true</p>	
6	<p>Sharma Brothers inherited some ancestral property. They decided to form a Hindu Undivided Family (HUF) consisting of four male members and invested the ancestral property into the business. The family is headed by Mr. Sunil Sharma; hence he is regarded as the Karta. He is the one who takes all the decisions and manages the business. The business took a loan of Rs. 10 lakh from Punjab National Bank which was to be returned within three years. Due to poor financial position of the business, they</p>	

	<p>were unable to repay the loan. The bank filed a suit for the recovery of loan. Mr. Sunil Sharma pleaded to the court that as the entire loan was taken for the purpose of business, all members of the business were liable for the repayment of the loan. The court held that all the members except Karta were also responsible but only to the extent of their share of co-parcenary property of business. However, Mr. Sunil Sharma being karta of the HUF held an unlimited liability. Hence, he had to pay the balance amount even if it had to be from his personal property.</p> <p>(a) What are the two conditions for formation of Joint Hindu Family Business? (b) In the given case who has unlimited liability and why? (c) How is membership acquired in Joint Hindu Family Business?</p>	
7	<p>Sunny sent an email to his friend Suresh who resides in US asking for financial help. Sunny shared with him that due to a prolonged illness, his business suffered a lot. As a result, he was not able to repay the bank loan which he had taken for the expansion of his business. He also informed him that his warehouse has been confiscated by the bank authorities to settle his claims. Sunny also reminded Suresh of his good times in business when he had helped Suresh financially being the sole recipient of all the business profits.</p> <p>In context of the above case: (a) Identify the related feature and liability of the form of business been described in the above paragraph. (b) Explain in brief, any two merits of this form of business which have not been mentioned in the paragraph.</p>	
8	<p>Ajit was running a trading business in India now he extended its operations to Dubai and USA by establishing places of business in these countries. In order to increase sales in Dubai the company adopted selling strategies like sales promotion and advertising. As the company had an excellent credibility in the capital market, it was able to meet all its financial requirements by borrowing from Citi Bank.</p> <p>On the basis of the given information about Ajit, answer the following questions a) Identify and explain the auxiliaries to trade used by Ajit for running his business. Also quote lines. b) Identify the type of trade carried on by Ajit earlier and now.</p>	
9	<p>Alex David is a legal advisor in a multinational company. He gets Rs.65,000 per month as his salary. On weekends, Alex David goes to nearby village and teaches some slum children, he does not charge anything from them, he does it out of sympathy and concern for poor children. This given him mental and psychological satisfaction.</p> <p>On the basis of the given information about Alex David, answer the following questions: a) Specify the types of human activity performed by Alex David. b) Differentiate between types of human activity identified in part (a) on any two basis.</p>	
10	<p>Jai and Viru belonged to a small town in Jharkhand and aspired to be famous movie star. As the luck shined on Jai, he became a superstar in Jollywood cinemas. Whereas, after working in a few films as a supporting actor, Viru decided to start an advertising agency in Ranchi. In order to give a boost to his business right from its inception he asked his friend Jai to become a partner in his business. Jai agreed to do so and allowed the use of his name by the firm. But he refused to participate in the management of the business.</p> <p>(a) Identify and explain the type of partners being mention in the given paragraph. (b) Also comment upon liability, capital contribution and shares in profit and loss with regard to the types of partners as identified in part (a) of the question.</p>	