Lesson: 1

1. Literally speaking, ----------- means “state of being busy” throughout.

2. sound------------------ is essential for the success of a business.

3. The human body is a combination of various----------

4. -------------- should be the watch word of the organisation.

5. --------------------- are the members of joint stock company.

6. Public corporation is also known as a  ---------- corporation.

7. Mitakshara law is applied throughout India except -------- and -------------

8. Persons who enter into partnership with one another are called ----------. And they are collectively called as a -------------.

9.  --------- is established under a specific statute passed in the parliament.

10. With the advent of -------- the joint families are reduced to small families.

11. The word ------ has originated from the word “organism “.

12. The term objective means ----------------------

13. Effective organisation must promote-----------------

14. The head of the family is known as --------

15. The members in a joint Hindu family are called --------

16. According to Hindu law, a Hindu can inherit the property from ----- generations.

17. The liability of a shareholder in a joint stock company is --------------

18. The capital of the company is divided into small units called a-----------

19. Anyone who holds or buys a share in a company is called a--------------

20. The sole trader makes all --------------and ------- on his own and maintains all the account.

21. Every partner has a right to -------------------in the management of the business.

22. A joint stock company may be a ------------company or a ------------- company.

23. A company is an ----------------------- person.

24. ---------------------------- is the oldest form of organisation of state enterprise.
25. Doodharsan is the examples of ---------------------------

Lesson: 1

Answers:-

1. Business
2. Organisation
3. Limbs
4. Efficiency
5. Shareholders
6. Statutory
7. Assam and West Bengal
8. Partners, firm
9. Public corporation
10. Industrialisation
11. Organisation
12. Goals to be achieved
13. Specialisation
14. KARTA
15. Coparceners
16. Three
17. Limited
18. Share
19. Shareholders
20. Purchases, sells
21. Take part
22. Public, private
23. Artificial

24. Departmental undertakings

25. Departmental undertakings
Lesson: 2

1. ---------------------is the oldest form of business organisation.
2. In sole trading business, the only legal formality is to get -- from the local authority
3. The proprietor is the sole owner and -----------of the business.
4. Any person who has -----------can start the sole trader business.
5. The liability of the proprietor for the debts of the business is------------------.
6. The sole trader need not ----------the profit with anybody else.
7. A sole trading concern has -----------separate from its owner.
8. Sole tradership is not governed by any ---------------.
9. A sole trader business -------------be registered with any authority.
10. The life of sole trader business depends upon the-------- of the sole trader.
11. The sole trading business comes to an end, if he has no -----------.
12. The sole trading business requires ------efforts and it is free from -------legal formalities.
13. Most of the sole trading business confine only to a particular place such as a --------.
14. A sole trader uses his --------- labour to conduct the business.
15. The maintenance of utmost----------- is of vital importance for the success of the sole trading business.
16. ---------------acts as a stimulant for hard work in sole trading business.
17. ---------------facilitates the development of personal qualities like self-reliance, initiative and independent judgment.
18. --------------says “The danger is always present that he thinks, he knows which really he does not know”.
19. --------------- has said that one-man control is the best in the world only when the business is small.
20. Sweet shop is an example of ------------------------

Answers:-

1. Soletradership
2. Licence
3. Master
4. Money
5. Unlimited
6. Share
7. No legal entity
8. Special legislation.
9. Need not
10. Life
11. Legal heir
12. Lesser, complicated
13. Street, a block or a village
14. Own
15. Secrecy
16. The fear of loss
17. Sole proprietorship
18. Basset
19. William R. Basset
20. Sole trading business
Important Definitions

**Organization:**
According to Urwick and Hunt, “A business is an enterprise which makes, distributes or provides an article or service which other members of the community need and are able and willing to pay for it”.

According to Lewis H. Haney, “Organisation is a harmonious adjustment of specialised parts for the accomplishment of some common purpose or purposes”.

Louis A. Allen has defined organisation as “the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives”.

**Multinational Company:**
According to Neil H. Jocoby “A multinational corporation owns and manages business in two or more countries”.

**Sole Proprietorship Business:**
According to P.K. Ghosh and Y.K. Bhushan, “The sole proprietorship is a form of organisation in which an individual introduces his own capital, uses his own skill and intelligence, and is entirely responsible for the results of its operations”.

Dr. O.R. Krishnaswami has defined the sole trader form of organisation as “a business carried on by a single person exclusively by and for himself “.

Encyclopedia of Business and Commerce defines sole trading concern as, “a form of organisation, in which an individual alone invests his capital, uses his own skill and intelligence in the management of its affairs and is entitled to enjoy all the profits as also is solely responsible for all the risks of ownership”.

According to Wheeler, “the sole proprietorship is that form of business organisation which is owned and controlled by a single individual. He receives all the profits and risks all of his property in the success or failure of the enterprise”.

In the words of James Stephenson, “A sole proprietor is a person who carries on business exclusively by and for him… He is not only the owner of the capital of the undertaking, but is usually the organiser and manager and takes all the profits or responsibility for losses”.

**One-Man Control**
William R. Basset has said that one-man control is the best in the world only when the business is small indeed, to allow one actually to know and supervise everything in the business.

**Partnership:**
According to the Section 4 of Indian Partnership Act of 1932, partnership is -the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all-.
In the words of Prof. Haney, "partnership is the relation existing between persons, competent to make contracts, who have agreed to carry on a lawful business in common with a view to private gain."

According to Dr. William R. Spriegel, "partnership has two or more members, each of whom is responsible for obligation of the partnership. Each of the partners may bind the others and the assets of partners may be taken for the debts of the partnership."

In the words of Kimball and Kimball, "A partnership or firm as it is often called, is thus a group of men who have joined capital or services for the prosecuting of some business."

Partnership may be defined as, “that form of business organisation in which, partners agree to share the profits of a lawful business, managed and carried on either by all or by any one of them acting for all."

**Company:**
In the words of Lord Justice Lindley, “By a company we mean, “an association of many persons who contribute money or money’s worth to a common stock and employ it in some trade or business and also share the profit and loss, as the case may be, arising there from.”

Even this definition is incomplete; it is Haney’s definition, which brings out all its essentials. He observes, “A company is an incorporated association; it is an artificial person created by law, having a separate entity, with a perpetual succession and a common seal.”

**Share:**
According to section 2(46) of the Companies Act, a share means a share in the share capital of the company and includes stock, except where a distinction between stock and shares is express or implied. A share indicates certain rights and liabilities.

**Allotment:**
According to Palmer, “allotment means appropriation to an applicant by a resolution of the directors, of a certain number of shares in response to an application.”

**Call:**
The term call refers to “demand made by a company on its shareholders in pursuance of its articles to pay the whole or part of the balance remaining unpaid on each share after allotment during the lifetime of the company. This means that when a demand is made by a company to pay allotment money, it does not come under call. The demand made for paying the unpaid amount remaining after allotment alone comes under call.

**Company Secretary:**
According to the Companies Act “a company secretary means company secretary as defined under the Company Secretaries Act and includes any other individual possessing the prescribed qualifications and appointed to perform the duties by a secretary under this Act or any other ministerial or administrative duties”.

According to the Company Secretaries Act, 1980 a company secretary is a person who is a member of the Institute of Company Secretaries of India.
Stock Exchange:
The Securities Contracts (Regulations) Act, 1956 defines stock exchange “as an association, organisation or body of individuals, whether incorporated or not, established for the purpose of assisting, regulating and controlling the business of buying, selling and dealing in securities”.

According to Hastings stock exchange or securities market comprises all the places where buyers and sellers of stock and bonds or their representatives, undertake transactions involving the sales of securities.

Mutual Fund:
The Securities and Exchange Board of India (Mutual Funds) Regulations, 1993 defines a mutual fund as “a fund established in the form of a trust by a sponsor, to raise monies by the trustees through the sale of units to the public, under one or more schemes for investing in securities in accordance with these regulations.”

Co-operative society:
According to H.C. Calvert “ A co-operative society is” a form of organisation wherein persons voluntarily associate together as human beings on the basis of equality for the promotion of economic interests of themselves”.

According to Sir Horace Plunkett “Co-operation is self-help rendered effective by organisation. It is better farming, better business, better living”.

According to Talmaki “It is an association of the weak who gather together for a common economic need and try to lift themselves from weakness into strength through business organisation.

The Indian Co-operative Societies Act, 1912 defines a cooperative enterprise as, “A society which has its objectives for promotion of the interests of its members in accordance with the principles of co-operation”.

Prof. Lambert defines a co-operative society as “An enterprise formed and directed by an association of users, applying within itself, the rules of democracy and directly intended to serve both its own members and the community as a whole”.

Super Market:
M.M.Zimmerman defined super market as “A departmentalized retail establishment having four basic departments i.e., self-service grocery, meat, and dairy products, plus other household departments, and doing a maximum business. It may lease departments on a concession basis”.

State Enterprise:
A.H. Hansen says “Public enterprise means state ownership and operation of industrial, agricultural, financial and commercial undertaking”

According to S.S. Kher, State Enterprises are “The industrial, commercial and economic activities carried on by the central or by a state government and in each case either solely or in association with private enterprise, so long it is managed by self – contained management”.
**Government Company:**
According to Indian Companies Act 1956, “Government company means any company in which not less than 51% of the paid-up share capital is held by the central government or by any state governments or government or partly by the central government and partly by one or more state government and includes a company which is a subsidiary of a government company”.

**PREPARED BY**

B.ABDUL AJISH M.COM., B.ED., M.PHIL.,
P.G. ASSISTANT COMMERCE

EQUITAS GURUKUL MATRIC HIGHER SECONDARY SCHOOL,
DINDIGUL DISTRICT.

CONTACT NUMBER: 7708082064 (WHATS APP NUMBER)

www.nammakalvi.org