

## Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 3 Short Questions Preparation

Q1. State any five characteristics fo sole tradersdhip

**Ans 1:** Sole ownership

**Ans 2:** Easy formation

**Ans 3:** Whole profit

**Ans 4:** Secrecy

**Ans 5:** Easy transfer

Q2. Why the life of sole tradership is limited.

**Ans 1:** The existance and survival of sole propertership based on good health, active participate shrewdness of the sole owner. Sometimes the wrong activites of sole tradership.

Q3. What is meant by unlimited liability of the owner in business.

**Ans 1:** The sole properietor has unlimited liability ub case of insolvency of the business or non payment of business debts, he will be responsible for the payments of the liabilities from his personal assets.

Q4. What is the legal standing property ship.

**Ans 1:** In sole propertership , the business has no separated entity apart from the sole trader because no permission or rgistratin is required to run the business in case of andy dispute, a legal action can be taken against ownes and not against business.

Q5. Write down any five advantages of sole tradership.

**Ans 1:** i- Easy formation ii- Quick decisions iii- Business secrecy

**Ans 2:** iv- Easy dissolution v- Flexibility.

Q6. Why is there total independence in sole proprietorship.

**Ans 1:** In sole propertorship, the contorl and supervision of the business remains in the hands of one person, Sole trader can do what ever he likes, because there is no interference of any other person in business matters.

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Q7. How is the profit distributed in sole proprietorship.

**Ans 1:** In sole tradership, the single owner bears full risk for business, therefore he gets total benefit of the business as well as also bears full loss.

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Q8. Why is the single owner so much satisfied with his business affairs.

**Ans 1:** As all the business activities are accomplished under the supervision of sole owner so he feels personal satisfaction that the business is running smoothly.

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Q9. List out any five disadvantages of sole tradership.

**Ans 1:** Shortage of capital

**Ans 2:** Unlimited liabilities

**Ans 3:** Management problems

**Ans 4:** Not durable

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Q10. Give any five examples of the sole tradership.

**Ans 1:** Retailer

**Ans 2:** Painters

**Ans 3:** Carpenters

**Ans 4:** Tourist guide

**Ans 5:** Barber

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