

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

Q1. State	e 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. How	is the profit distributed in sole propeietorship.
Ans 1: bears fu	In sole tradership, the single owner bears full risk fo business, therefore he gets total benefit of the business as well as also Il loss.
Q3. Write	e down any five advantages of sole tradership.
Ans 1:	i- Easy formation ii- Quick decisions iii- Business secrecy
Ans 2:	iv- Easy dissolution v- Flexibillity.
Q4. Give	the definition of sole tradership
Ans 1:	Sole proprietorship is a type of business organization which one person owns and operates the business.
Q5. Why	is there total independence in sole proprietorship.
	In sole propertorship, the contorl and supervision of the business remains in the hands of one person, Sole trader can do er he likes, because there is no interference of any other person in business matters.
OC \\/\land	t 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.

Q7. Give	any five examples of the sole tradership.
Ans 1:	Retailer
Ans 2:	Painters
Ans 3:	Carpenters
Ans 4:	Tourist guide
Ans 5:	Barber
Q8. Wha	t is meant by unlimited liability of the owner in business.
	The sole properietor has unlimited liability ub case of insolvency of the business or non payment of business debts, he will onsible for the payments of the liabilities from his personal assets.
Q9. List o	out any five disadvantage of sole tradership
Ans 1:	Shortage of capital
Ans 2:	Unlimited liabilities
Ans 3:	Management problems
Ans 4:	Not durable
Q10. Wh	y the life of sole tradership is limited.
	The existance and survival of sole propertership based on good health, active participate shrewdness of the sole owner. nes the wrong activites of sole tradership.