

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

Q1. State any five characteristics of sole tradership

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 existence and survival of sole proprietorship based on good health, active participation, shrewdness of the sole owner. Sometimes the wrong activities of sole tradership.

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

Ans 1: The sole proprietor has unlimited liability in 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 proprietorship, the business has no separate entity apart from the sole trader because no permission or registration is required to run the business. In case of any dispute, a legal action can be taken against the owner and not against the 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 proprietorship, the control and supervision of the business remains in the hands of one person. Sole trader can do whatever he likes, because there is no interference of any other person in business matters.

Q7. How is the profit distributed in sole propeietorship.

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

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

Ans 1: As all the business activities are accomplished under athe supervision of sole, owner so he feels personal satsifaction that the business is runnig smmothly

Q9. List 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. Give any five examples of the sole tradership.

Ans 1: Retailer

Ans 2: Painters

Ans 3: Carpenters

Ans 4: Tourist guide

Ans 5: Barber
