

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. 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

Q3. 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

Q4. Why do people have less confidence in sole propertorship.

Ans 1: The owner of sole tradership does not publishe is business accounts and there is no leagal restriction general public shows less confidence on such types of business organization.

Q5. 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.

Q6. 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.

Q7. 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.

Q8. 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.

Q9. Give any five examples of the sole tradership.

Ans 1: Retailer

Ans 2: Painters

Ans 3: Carpenters

Ans 4: Tourist guide

Ans 5: Barber

Q10. Give the definition of sole tradership

Ans 1: Sole proprietorship is a type of business organization which one person owns and operates the business.
