



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class-XI Date: 23/11/2020

Answer key of Worksheet-6

Chapter: Business organization and Changing feature of Indian Economy

Topic- Different types of firms, their advantages, disadvantages and human development

1. Choose the correct alternative.

1x15=15

- a) On the basis of nature of ownership types of firms that can be found is i) single ownership firm and partnership firm ii) **single ownership firm, partnership firm, joint stock company and cooperative firms** iii) partnership firms and joint stock company iv) none of these
- b) When a firm is owned by a single individual that is known as i) **single ownership firm** ii) partnership firm iii) cooperative firms iv) none of these
- c) One of the important advantages of single ownership firm is i) important decisions are taken by the owner ii) trade secrets are preserved iii) important decisions are taken very quickly iv) **both (ii) and (iii)**
- d) The liability of the owner in the case of single ownership firms is i) limited ii) **unlimited** iii) both (i) and (ii) iv) none of these
- e) One of the disadvantages of single ownership firm is i) In this type of organization owner has to bear all the risks ii) It is difficult to supply large amount of supply by the single owner iii) **Both (i) and (ii)** iv) none of these
- f) According to the Indian Company Act the maximum number of partners in a banking or credit business is i) 4 ii) 5 iii) 8 iv) **10**
- g) Written agreement among the partners of partnership firms is called i) **partnership deed** ii) bond iii) stock iv) none of these

- h) One of the advantages of partnership firms is i) additional funds can not be collected ii) It is not very easy to set up this type of organization, it requires permission from the government iii) risk taking capacity is higher compared to single ownership fund iv) none of these
- i) Disadvantage of partnership firm is i) since it has unlimited liability ,people may not like to join this ii) death of the owner may lead to discontinuity of functioning of the firm iii) risks are borne by all the partners iv) none of these
- j) Joint stock company has ____ liabilities i) limited ii) unlimited iii) both iv) none of these
- k) Advantages of Joint stock company is i) this company can be set up according to the procedure laid down by law ii) It takes time to set up such company iii) If any share holder dies it has impact on normal functioning of the company iv) none of these
- l) Main difference between Joint stock company and partnership firms is i) Partnership has unlimited liability and JSC has limited liability ii) No new partner can enter without the approval of other partners and no approval is needed to sell the shares of the company iii) Activities of the companies are regulated by Indian Companies Act of 1956. On the other hand the activities of partnership firm are controlled by the partnership Act 1932 iv) all of the above
- m) Advantages of company are i) Many restrictions are imposed on the working of JSC ii) Economic Power is concentrated in the hands of few iii) There is no limit to the expansion of a JSC iv) None of these
- n) In the first stage of demographic transition i) population remains stationary ii) population expansion takes place iii) population starts to decrease iv) none of these
- o) The main difference between economic growth and human development is i) economic growth focuses on widening the choices available to the people and Human development focuses on expansion of income ii) economic growth focuses on expansion of income and human development focuses on expansion of choices available to the people iii) economic growth deals with economic, social, cultural and political choices and human development deals with inequality in distribution of income iv) none of these

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