

**Model Question Paper**

**Sole Trader - Part I**

12th Standard

**Commerce**

Reg.No. : 

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I. Answer all the questions.

II. Use Blue pen only.

III. Question No 13 is compulsory.

Time : 01:00:00 Hrs

Total Marks : 75

5 x 1 = 5

**Section-A**

- 1) Sole trading business can be started by:  
(a) At least two persons (b) At least seven persons (c) Any one person
- 2) The liability of a sole trader is  
(a) Limited only to his investment in the business (b) Limited to total property of the business (c) Unlimited
- 3) Sole proprietorship is suitable for  
(a) Large scale concerns (b) Medium scale concerns (c) Small scale concerns
- 4) Decision-making process in sole trading business is  
(a) Quick (b) Slow (c) Neither quick nor slow
- 5) A sole trader  
(a) Cannot keep his business secrets (b) Can keep his business secrets (c) None of the above

**Section-B**

5 x 1 = 5

- 6) On the basis of ownership, forms of business organization can be divided into two main types.....and .....
- 7) In.....form of business organization, the ownership is separated from its management and the owners cannot take direct control over the business.
- 8) The ownership and the business are not separated and the owners can have direct control over the business in.....
- 9) .....business organization is easy and simple to organise.
- 10) Sole tradership is also known as .....or.....

**Section-C**

4 x 4 = 16

- 11) State the various kinds of non-corporate enterprises.
- 12) What is a sole proprietorship business?
- 13) a) Define "sole trader".

(OR)

- b) What is unlimited liability?

**Section-D**

1 x 8 = 8

- 14) Mention the suitability of sole proprietorship.

**Section-E**

2 x 20 = 40

- 15) Explain the main characteristics of sole trading form of organisation
- 16) Discuss the merits and demerits of sole trading form of business

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