

NIOS lesson adaptation project

by  **Embrace** Volunteers
The power within you!

(A community initiative of Harchan Foundation Trust)

CHAPTER -3

SOLE PROPRIETERSHIP PARTNERSHIP AND HINDU UNDIVIDED FAMILY (HUF)

This project is aimed at supporting children with different needs. Information provided is adapted to the best of knowledge by the volunteers. For complete information please refer to the NIOS resources in <https://www.nios.ac.in/online-course-material/secondary-courses.aspx>.

Various Forms of Business Organisation

Sole Proprietorship



I am the Sole
Owner
of my Business

Joint Hindu Family Business



Partnership Firm

A & K PARTNERSHIP Ltd.



KWL Chart

K- What does the child KNOW	W-What does the child WANT to know	L-What has the child LEARNT
	Meaning of Three forms of organizations <ul style="list-style-type: none"> • Sole Proprietorship • Partnership • Hindu Undivided Family (HUF) 	
	Advantage of all 3 forms of organizations	
	Limitations of all 3 forms of organizations	
	Learn the concept of limited liability partnership (LLP)	

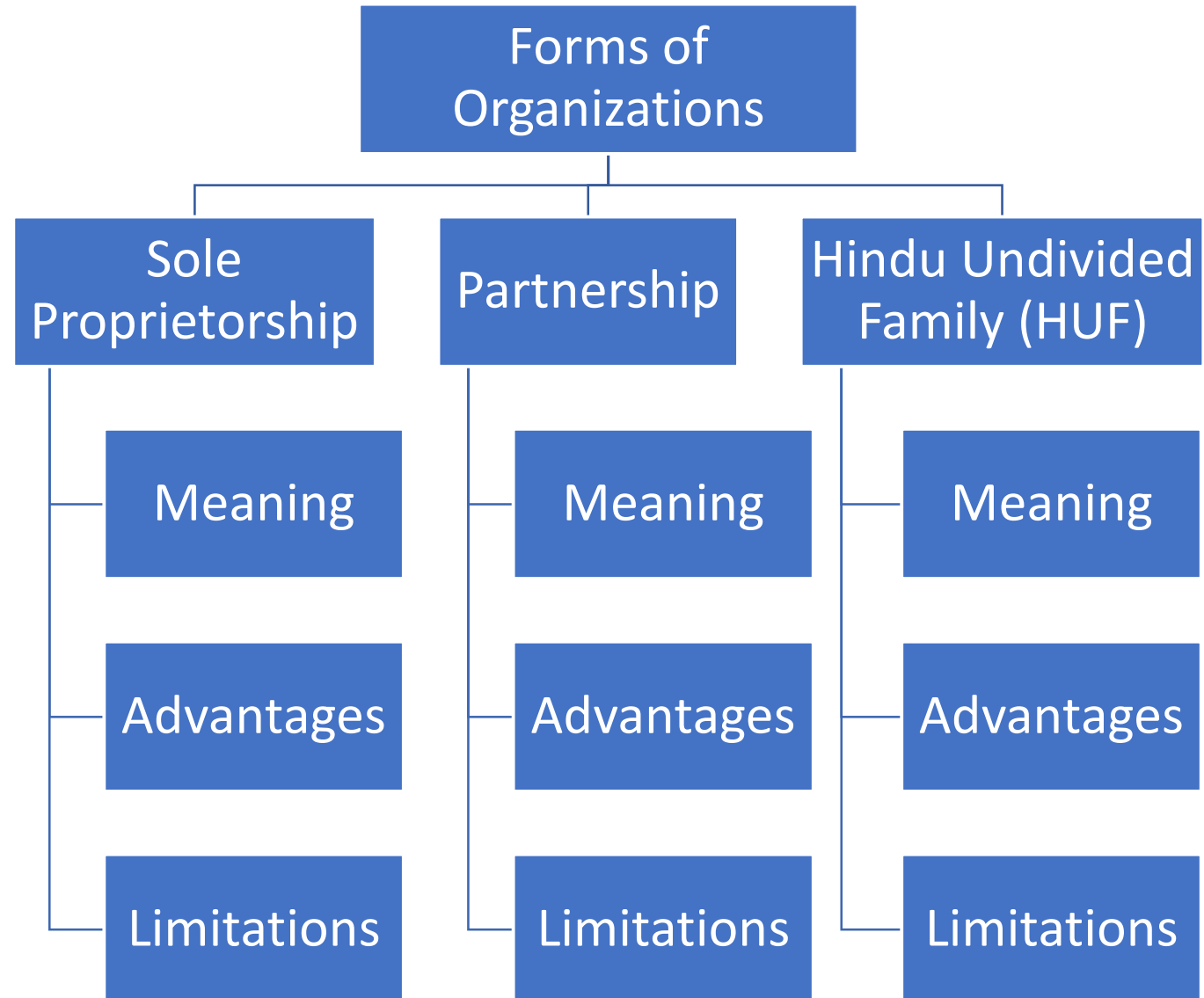
Keywords and Meanings

Keywords	Meaning
Sole	Single
Proprietorship	The state or right of owning a business or holding property
Liability	A liability is something a person or company owes, usually a sum of money, loans etc.
Legal	in terms of the law
Limited	restricted
Capital	Capital is a term for financial assets, such as funds. Capital can also be associated with capital assets of a company

Keywords and Meanings

Keywords	Meaning
Ownership	The right of possessing something
Karta	The oldest member in Hindu Undivided Family Business
Coparceners	Male members in Hindu Undivided Family business are referred to as coparceners
Inheritance	something that are passed to the heir at the owner's death e.g. property

Mind Map



Sole Proprietorship

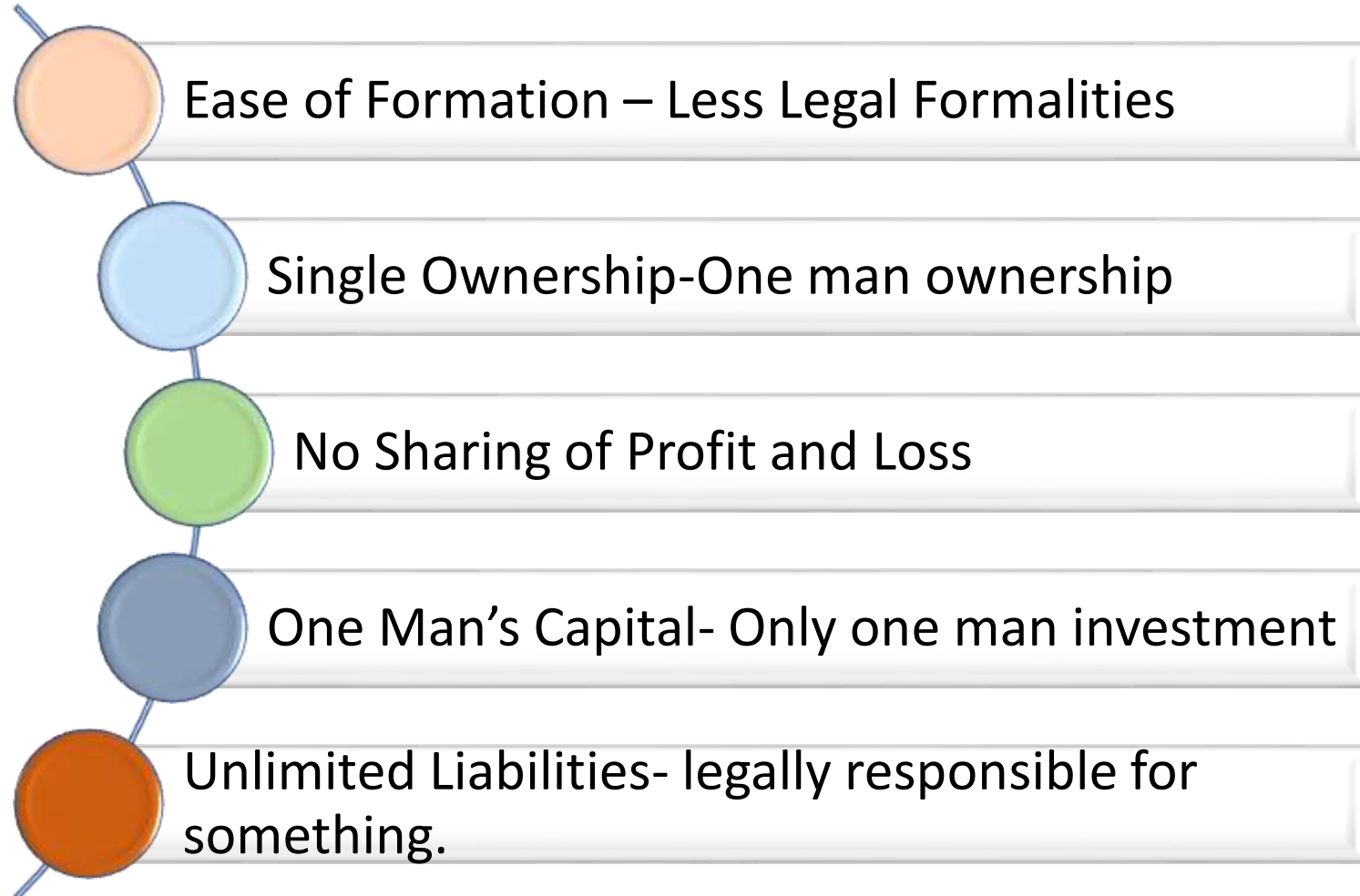
(Single Ownership)

- **Sole** means **Single** and **Proprietorship** means **Ownership**.
- Only one person or an individual is the owner of the business.
- The business organisation in which a **single person owns, manages and controls** all the activities of the business is known as sole proprietorship form of business organisation.
- The individual who owns and runs the sole proprietorship business is called a '**Sole Proprietor**' or '**Sole Trader**'.
- Sole objective is earning profit.

Sole Proprietorship

(Single Ownership)

Characteristics



Sole Proprietorship - Advantages

(Single Ownership)

Easy to form and wind up

Direct Motivation

Quick Decision and Prompt Action

Better Control

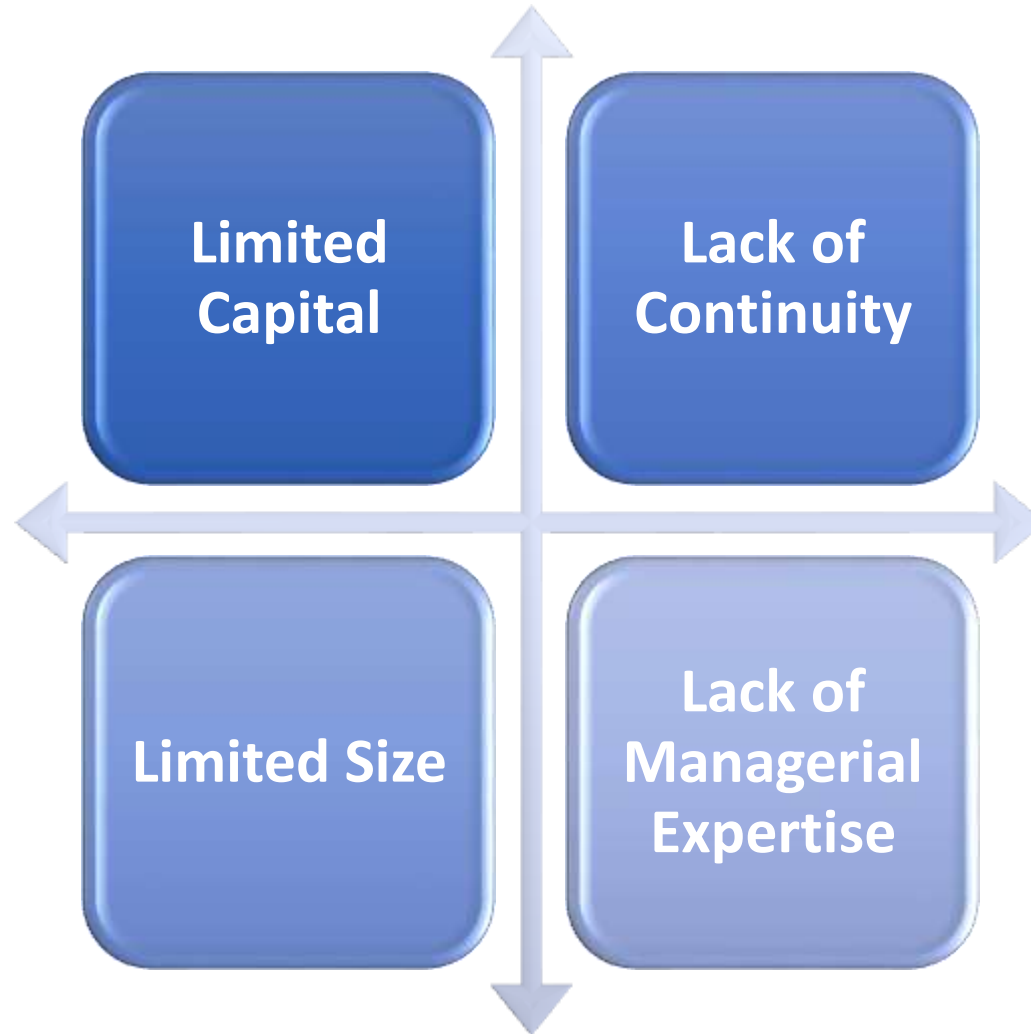
Maintenance of Business Secrets

Close personal relation

Provides Self-Employment

Sole Proprietorship - Limitations

(Single Ownership)



Partnership Firm

Partnership is a relation between **two or more persons** who have agreed to

- Contribute a certain amount of money and other things
- Share the profits
- Become the owners of the organizations.

The objective of organization is earning profit

Partnership Firm

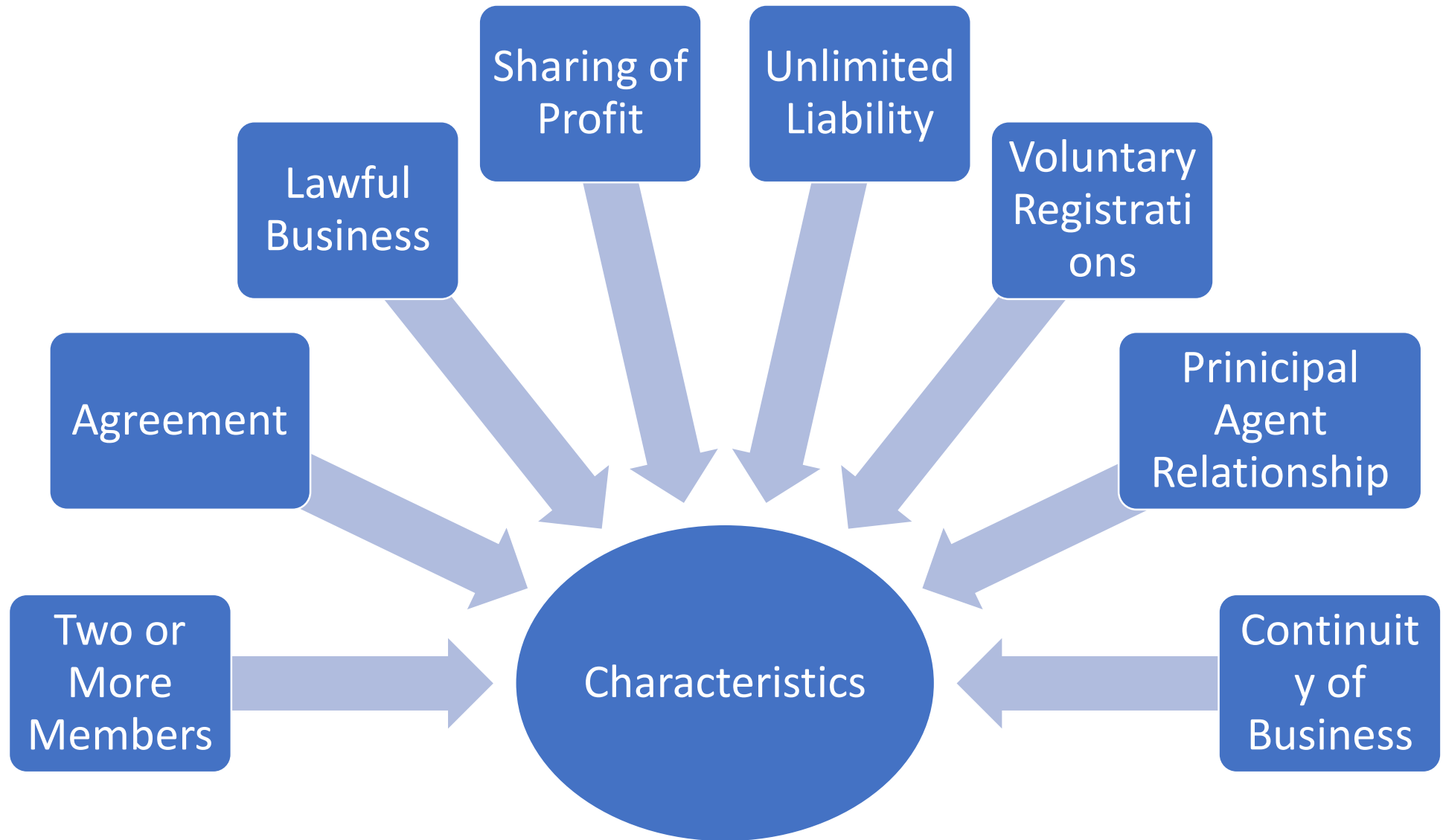


Partners

The Indian Partnership Act, 1932



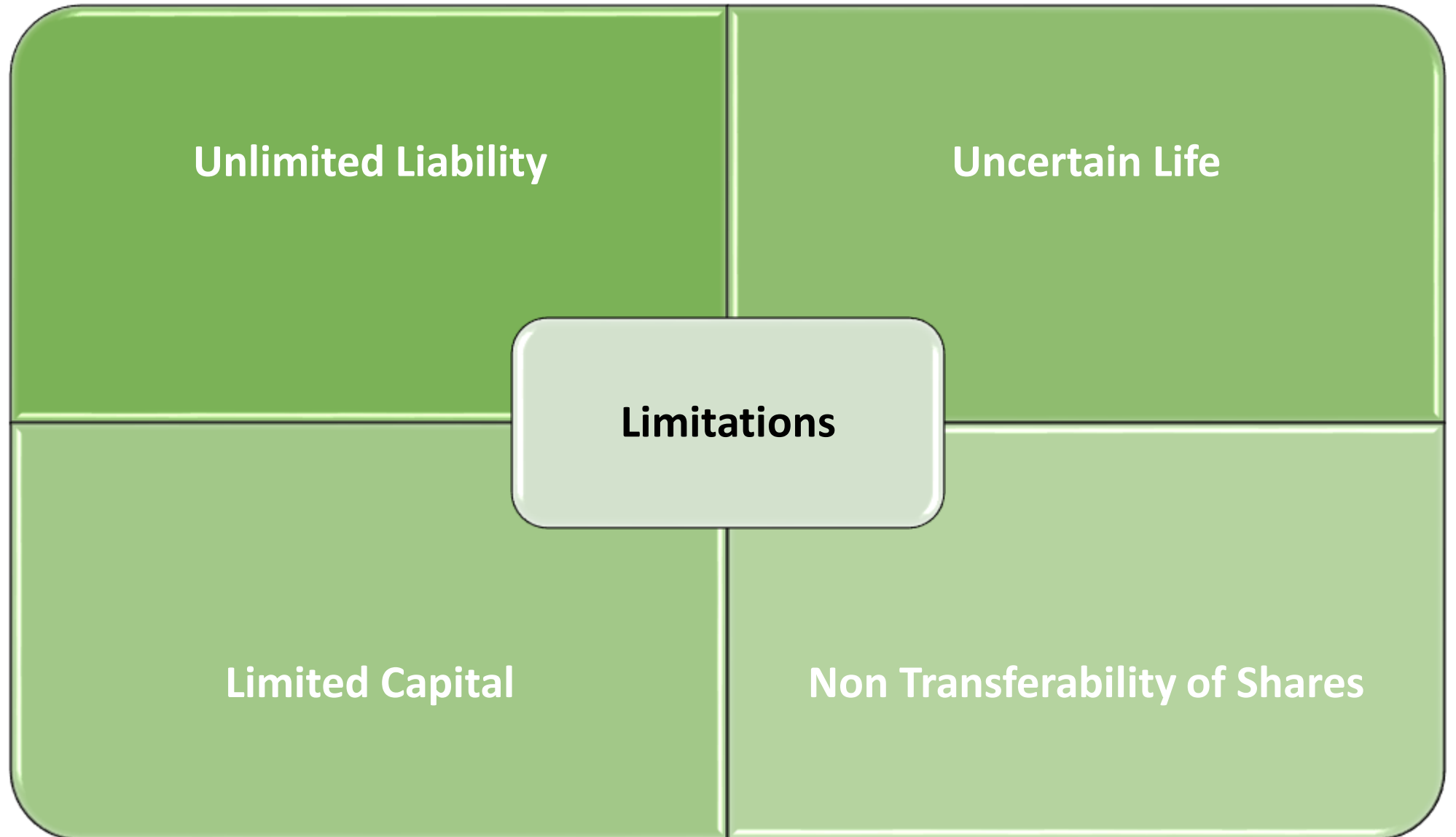
Partnership Firm



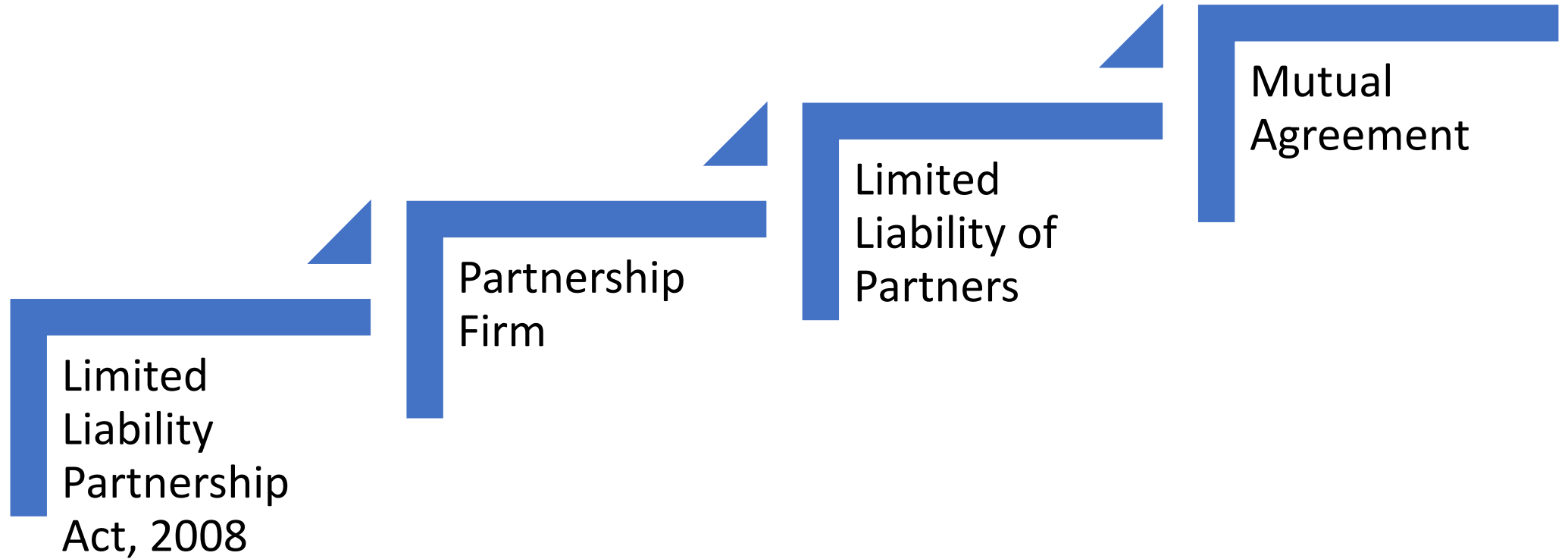
Partnership Firm - Advantages



Partnership Firm - Limitation



Limited Liability Partnership



Limited Liability Partnership – Salient Features

Legal Entity

- Separate from its partners

Two or More Persons

- Lawful Business
- To earn profit
- As per LLP Act 2008
- At least one partner shall be resident in India

Liability

- Full extent of its assets
- Liability of the partners limited to their agreed contribution in the LLP

No Liability

- No partner is liable on unauthorized actions of other partners

Joint Hindu Family Business or Hindu Undivided Family Business (HUF)



Joint Hindu Family Business or Hindu Undivided Family Business (HUF)

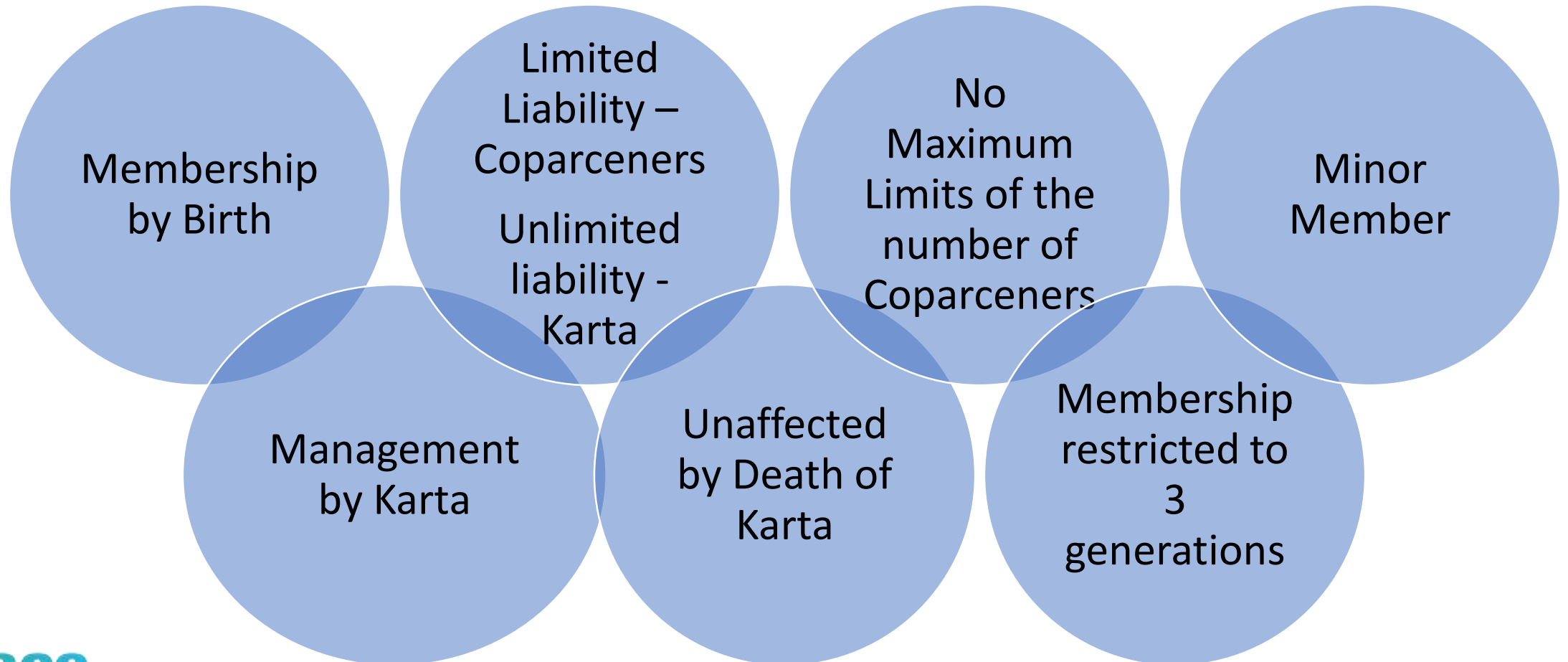
- ☐ Business is owned by the members of a joint Hindu family.
- ☐ This form of organisation exists under Hindu law and is governed by the law of succession.
- ☐ For purposes of running of joint Hindu family business, only male members are entitled who are referred to as **coparceners**.
- ☐ The eldest member is known as the **Karta**. The management vests in the

Joint Hindu Family Business or Hindu Undivided Family Business (HUF)

- ☐ In this form of business organization, the family possesses some inherited property.
- ☐ The inheritance of the property is among the male members.
- ☐ The share of ancestral property is inherited by a member from his father, grandfather and great grandfather.
- ☐ Thus, **three successive generations** can simultaneously inherit the ancestral property.

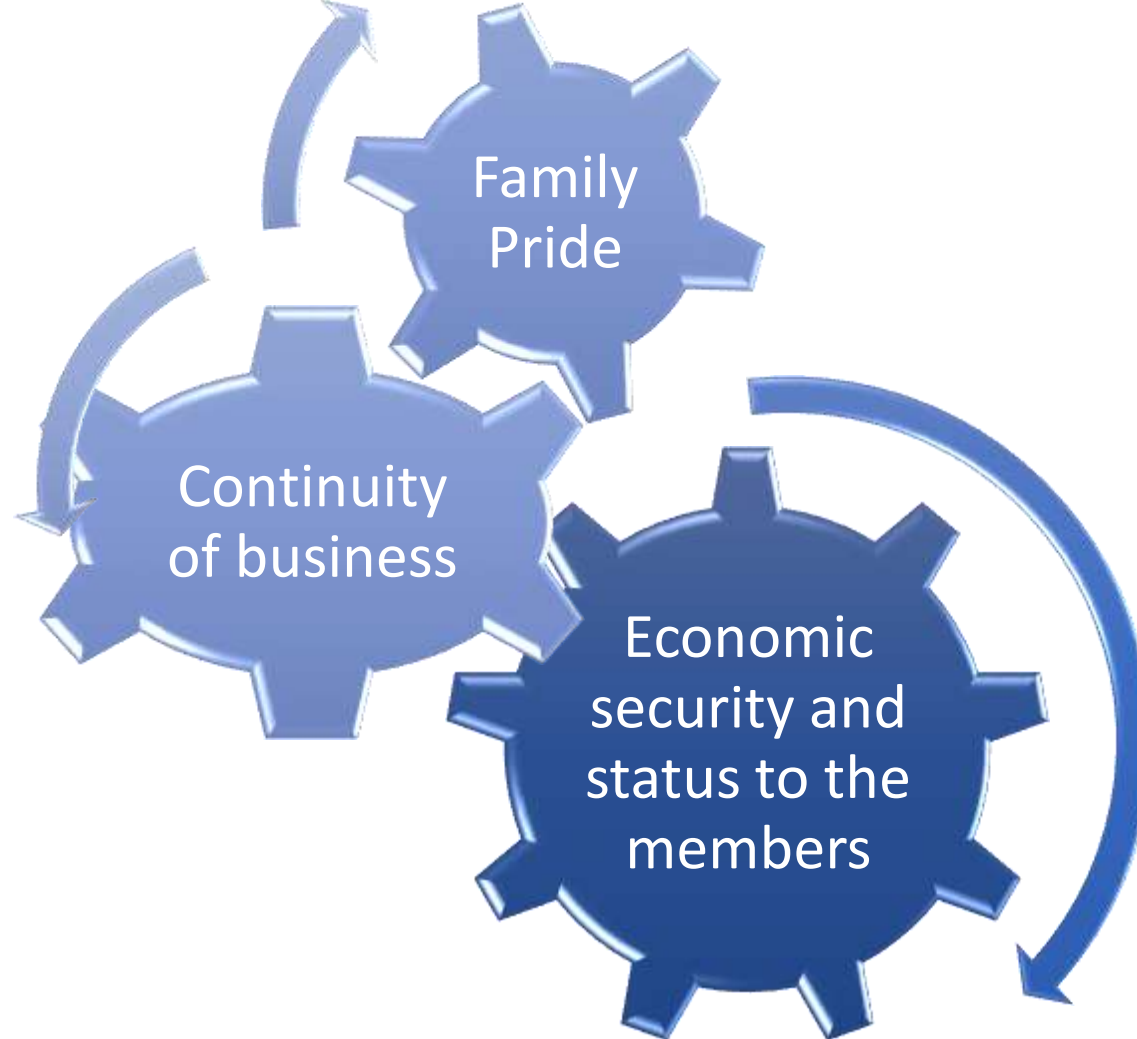
Joint Hindu Family Business or Hindu Undivided Family Business (HUF)

Features

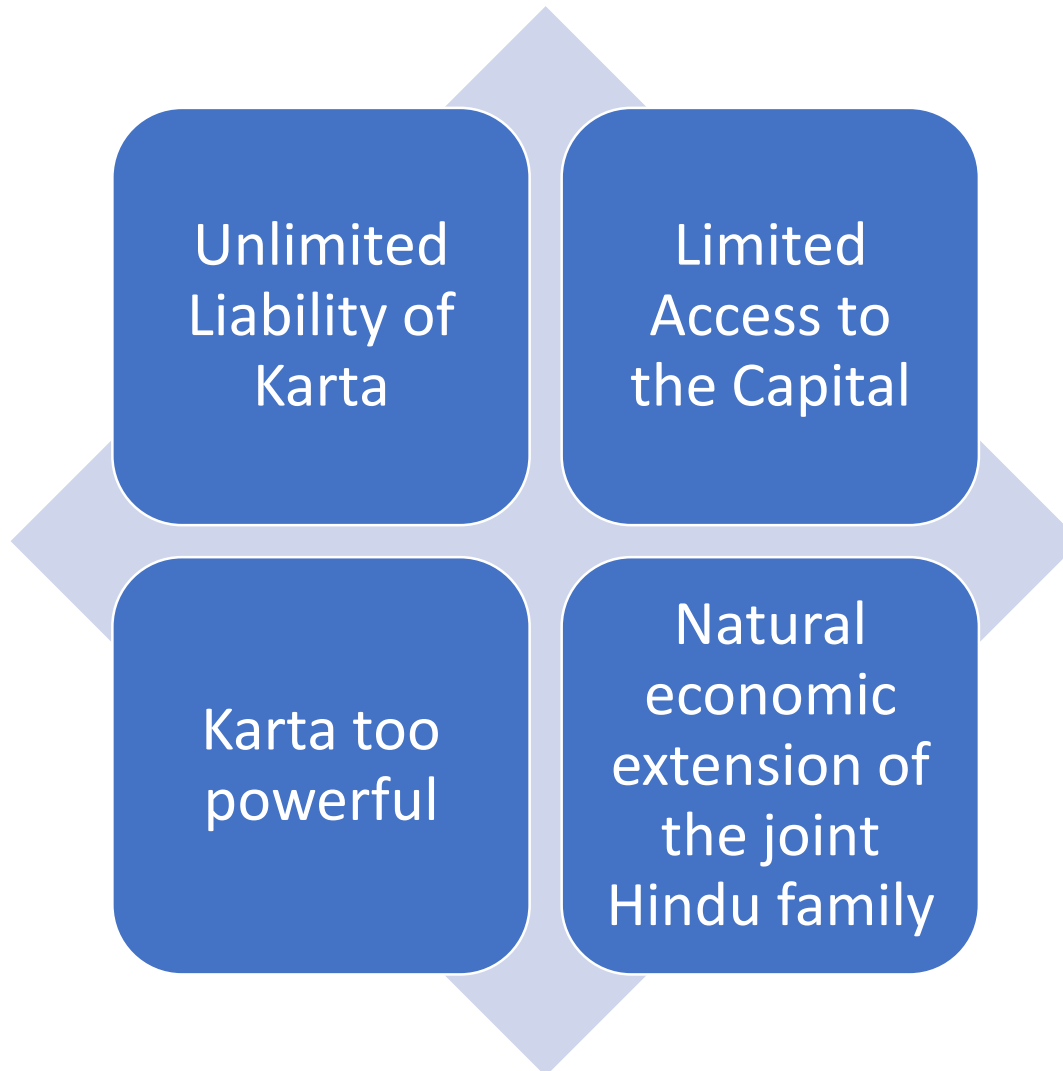


Joint Hindu Family Business or Hindu Undivided Family Business (HUF)

Advantages



Joint Hindu Family Business or Hindu Undivided Family Business (HUF) Limitations



List of Volunteers

Embrace-NIOS lesson adaptation project

(A community initiative of Harchan Foundation Trust)

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"volunteers don't necessarily have the time, they just have the **HEART**."

~ elizabeth andrew

Thank You
Volunteers.

PICTURE CREDIT

Slide no	Source
1	Forms of Organizations - https://www.flexiprep.com/NIOS-Notes/Secondary/Business-Studies/NIOS-Business-Studies-Ch-3-Sole-Proprietorship-Partnership-Hindu-Undivided-Family-Part-1.html
11	Partnership Firm - https://corpbiz.io/learning/partnership-firm-registration-procedure-and-regulations/
11	The Indian Partnership Act, 1932 - https://www.indiamart.com/proddetail/partnership-firm-registration-10855032633.html
17	Hindu Undivided Family - https://www.owealth.com/insights/blog/hindu-undivided-family-meaning-and-benefits/

