

# BUSINESS STUDIES

## Chapter 2: FORMS OF BUSINESS ORGANISATION



## Important Questions

### Multiple Choice Questions-

Question 1. Which of the following statement is NOT true about a minor partner?

- (a) He has to bear losses also
- (b) He can inspect books of accounts
- (c) He has an option to continue with a firm even after attaining majority
- (d) He shares only profits

Question 2. \_\_\_\_\_ company needs to have only two directors.

- (a) Public Company
- (b) Sole Proprietorship
- (c) Private Company
- (d) None of the above

Question 3. Which of the following contract is signed by the promoters with the third party on behalf of the proposed company?

- (a) Preliminary contracts
- (b) Provisional contract
- (c) Prospectus
- (d) Memorandum of association

Question 4. Which one of the following is the CORRECT sequence of stages in the formation of a company?

- (a) Promotion, incorporation, capital subscription, the commencement of business
- (b) Incorporation, capital subscription, promotion, the commencement of business
- (c) Promotion, the commencement of business, incorporation, capital subscription
- (d) Promotion, Incorporation, Certificate of commencement, capital subscription

Question 5. Which of the following business enterprises does not have a separate legal entity?

- (a) Sole Proprietorship
- (b) Partnership
- (c) Company
- (d) Cooperative Society

Question 6. \_\_\_\_\_ company does not invite the public to subscribe to its share capital.

- (a) Both Private and Public Company
- (b) Public Company
- (c) Private Company
- (d) None of the above

Question 7. Which of the following cooperative society is established to help small producers in selling their products?

- (a) Producer cooperative society
- (b) Marketing cooperative society
- (c) Credit cooperative society
- (d) Consumers cooperative society

Question 8. The maximum number of partners allowed in the banking business are

- (a) Ten
- (b) No limit
- (c) Twenty
- (d) Two

Question 9. At least 10 adults, no maximum limit in case of \_\_\_\_\_

- (a) Joint Hindu Family
- (b) Cooperative Society
- (c) Company
- (d) Partnership

Question 10. It is a form of business organization which is owned, managed, and controlled by an individual who is the recipient of all profits and bearer of all risks. Identify the concept.

- (a) Sole Proprietorship
- (b) Cooperative Society
- (c) Joint Hindu family business
- (d) Partnership

Question 11. What do you understand by the term unlimited liability?

- (a) The personal assets of the owner can be sold when the assets of the business are not

enough to

- (b) The personal assets of the owner cannot be sold at all
- (c) The personal assets of the owner can be sold, according to the wish of the creditors
- (d) The personal assets of the owner can be sold, only to a limited extent

Question 12. Provision of residential accommodation to the members at reasonable rates is the objective of:

- (a) Housing Cooperative
- (b) Producers Cooperative
- (c) Sleeping Partner
- (d) Credit Cooperative

Question 13. Hindu Succession Act was passed in \_\_\_\_\_

- (a) 1960
- (b) 1956
- (c) 1952
- (d) 1932

Question 14. A prospectus is issued by

- (a) Public company
- (b) Private company
- (c) Statutory Corporation
- (d) Departmental undertaking

Question 15. A partner whose association with the firm is unknown to the general public is called

- (a) Active partner
- (b) Nominal partner
- (c) Secret partner
- (d) Sleeping partner

### Very Short :

Question 1 By whom are the Board of Directors elected in the Joint Stock Company?

Question 2 Mention 2 necessary conditions that form a Joint Hindu Family business.

Ancestral property to be inherited by him or her



Question 3 Which company has no restrictions on the transfer of shares?

Question 4 Who regulates a Joint Hindu Family business?

Question 5 Mention 2 types of trading concern in which sole proprietorship is feasible.

Question 6 Who is a secret partner?

Question 7 Which is the business organisation that is found only in India?

Question 8 Mention the names of the systems that regulate the membership in Joint Hindu Family.

### Short Questions:

Question 1. Differentiate sole proprietorship and partnership form of business.

Question 2. What is partnership deed and mention in brief the provisions contained in partnership deed?

Question 3. Partners in a firm have different roles and liabilities, Identify and explain the type of partner in a firm from the given examples:

- Rama is a partner in a business who has no actual interest in business trade or its profits but she is paid fee by the firm for lending its name to firm.
- In Ram Hari & co. Ltd, Ram & Hari declare Gopal as a partner with knowing that Gopal remain silent then Gopal will be liable to third parties for any loss.
- What type of partner is Geeta if she only contribute capital, share profit and loss if any?
- What type of partner is Giri in Ram Hari & co. Where he is an outsider but represent himself as a partner.

Question 4. Explain the forms: sole proprietorship, H.U.F & Joint stock company on the basis of following points: Liability, members & Continuity

Question 5. Explain the concept of mutual agency in partnership with suitable example.

Question 6. What is meant by partner by estoppel OR Mr. Singh is in 'lighting' business for the past 15 years. To help his friend, Mr Yadav, a beginner he projected himself as a partner before Mohd. Abdul, a whole sale dealer of fancy lights. Mohd. Abdul gave Mr. Yadav the stock without asking for payment and gave him credit limit of one month. Will Mr. Singh be liable to Md. Abdul if Mr. Yadav does not pay him on time ? Classify Mr. Singh's role here along with an explanation

Question 7. What is secret partner

Question 8. Write a short note on producer co-operative society

Question 9. Explain a co-operative organisation in democratic setup.

Question 10. Shiv, Anandi & John were partners John died in a car accident Both Shiv & Anandi decided to admit his son Ryan who was 16 years old as partner. Can they do so? Justify.

### Long Questions –

Question 1. Explain the important characteristics and differentiate between the various types of business enterprises.

Question 2. What is the scope of setting small business and also give reasons for considerable scope of setting small scale businesses in our country?

Question 3. Discuss the main types of partners.

Question 4. Explain the various types of partnerships.

### Case Study Questions –

1. Manish is a student pursuing final year B.Tech. from IIT Kharagpur. His father Mr. Sambal Singh who owned a small general store in Jaipur had a heart attack and became completely paralysed. There was no other source of income for the family, so, Manish left his studies and decided to take charge of his father's general store. While checking the books of accounts, he found that his father had taken a loan of ₹ 2 lakhs from Bank of Baroda to be repaid this year only, but the business is running into losses due to his father's illness. Hence, his mother advised him to close the business and to look for a job outside.

On the basis of the given case, answer the following questions:

**(i) The form of business organisation formed by Sambal Singh is:**

- a) Joint Stock Company
- b) Partnership
- c) Sole Proprietorship
- d) Co-operative Society

**(ii) Which of the following shows a merit and a demerit of the type of business organisation mentioned in the above case?**

- a) Secrecy, Limited liability
- b) Sole recipient of profits and no diffusion of risk
- c) Secrecy and direct incentive
- d) Limited resources and unlimited liability

**(iii) "Loan of ₹ 2 lakhs from Bank of Baroda to be repaid this year only, but the business is running into losses." Identify the nature of liability of the owner in the stated line.**

- a) Limited
- b) Unlimited
- c) No liability
- d) Partial liability

**(iv) "...decided to take charge of his father's general store." As per the stated line, what will be the status that Manish holds in the business of his father?**

- a) Partner

- b) Employee
- c) Trustee
- d) Owner

2. Direction: Read the following text and answer the questions on the basis of the same:

Madhu, Himanshu and Mayank, after completing B.E. in civil engineering, have jointly taken a project of constructing three government school buildings in a village near Agra within the time period of 6 months. As per the written agreement between them, only Madhu and Mayank will contribute the capital, and take all managerial decisions, whereas Himanshu will contribute capital only but will not be actively involved in management.

**(i) What type of a partner Himanshu is?**

- a) Active
- b) Dormant
- c) Nominal
- d) Secret

**(ii) If the partners are not able to complete the project effectively and efficiently, then who will be held liable for the losses incurred on account of noncompletion of project?**

- a) Madhu
- b) Himanshu
- c) Madhu and Mayank
- d) All of these

**(iii) Specify the kind of partnership mentioned in the above case.**

- a) Limited partnership
- b) Particular partnership
- c) Partnership at will
- d) General partnership

**(iv) Name the written agreement which defines the terms and conditions of such partnership.**

- a) MOU
- b) MOA
- c) Partnership deed
- d) Partnership registration

**MCQ Answers :**

1. **Answer: (a) He has to bear losses also**
2. **Answer: (c) Private Company**

3. Answer: (a) Preliminary contracts
4. Answer: (a) Promotion, incorporation, capital subscription, the commencement of business
5. Answer: (a) Sole Proprietorship
6. Answer: (c) Private Company
7. Answer: (a) Producer cooperative society
8. Answer: (a) Ten
9. Answer: (b) Cooperative Society
10. Answer: (a) Sole Proprietorship
11. Answer: (a) The personal assets of the owner can be sold when the assets of the business are not enough to
12. Answer: (a) Housing Cooperative
13. Answer: (b) 1956
14. Answer: (a) Public company
15. Answer: (c) Secret partner

### Very Short Answers:

1. Answer: The shareholders elect the Board of Directors in the Joint Stock Company.
2. Answer: At least 2 members in a family
3. Answer: Public company has no restrictions on the transfer of shares.
4. Answer: Karta
5. Answer: Single person art studio, a local grocery, or an IT consultation service.
6. Answer: Secret partner is a partner whose membership in a partnership is maintained secret from the public.
7. Answer: Joint Hindu Family is the business organisation that is found only in India.
8. Answer: Dayabhaga law and Mitakshara law

### Short Answers –

1. Answer: Difference between Partnership and Sole Trader:

Points of Difference	Partnership	Sole Trader
1. Specific Act	It is governed by Partnership Act 1932.	There is no specific Act.
2. Number of Member	The minimum number of partners is two and the maximum number in the case of banking business is ten and in other business is twenty.	It is owned and carried on by only one person. He may employ other persons or take help from the members of his family.
3. Agreement	It arises only by agreement among partners.	No agreement is required in a sole proprietorship.
4. Distribution of profit	Profit is shared among partners.	The entire profit is enjoyed by the proprietor alone.
5. Capital	It has got more capital because there are more members.	It has limited capital because the capital is contributed by one person only.
6. Secrecy	In a partnership business, secrets are open to each partner.	Business secrecy is maintained.
7. Personal touch	It does not have a personal touch as much as the sole trader has with his customers.	It is located amidst consumers, so it has personal contact and touch with them.

2. Answer: Partnership Deed: A partnership agreement contains the terms and conditions relating to partnership and the rules and regulations governing its management. It may be oral or in writing. A written agreement of partnership is called 'Deed of Partnership'. A partnership deed contains all the details on which partnership has been formed. These terms and conditions are also known as articles of partnership.

A partnership deed usually contains the following details:

1. The names and addresses of the partnership firm and its partners.
2. The nature of the business proposed to be carried on by the firm.
3. The duration of the partnership.
4. The amount of capital contributed by each partner.
5. The rate of interest payable to partners on their capital or to be paid by partners on the amount drawn by them.
6. The mode of maintaining accounts and operation of the bank account.



7. Rights and duties of the partners for the management of the business of the firm.
8. The ratio in which profits will be shared by the partners.
9. The amount of salary and/or commission payable to the partners
10. Arbitration clause for settlement of disputes between the partners,
11. Mode of dissolution and settlement of accounts.

3. Answer: (a) Rama is a nominal partner in a firm who has no genuine interest in the firm's trade or earnings, but is paid a fee by the firm for providing its name to the firm.

(b) Ram & Hari declare Gopal as a partner in Ram Hari & Co. Ltd, knowing that if Gopal remains silent, Gopal will be accountable to third parties for any losses.

(c) Geeta is a sleeping partner if she merely contributes capital and shares profit and loss if any.

(d) Giri in Ram Hari & co, Where he is an outsider but represent himself as a partner- Partner by Estoppel.

4. Answer: The difference between sole proprietorship, H.U.F & Joint stock company is given below:





Basis	Sole Proprietorship	HUF	Joint Stock Company
Liability	Unlimited Liability	Karta's culpability is boundless, and his personal property is used to pay off his debts. Coparceners' liability is restricted to their part of the risk, which is precisely defined and precise.	Members' responsibility is restricted to the amount of money they contribute to a corporation. Members can only be requested to contribute to the loss up to the amount of unpaid share that they own.
Member	Owner is the member	To start a joint hindu family business, at least two family members are required. At the time of birth, one becomes a member.	In a public corporation, the minimum number of employees is seven, and the maximum number is unlimited; in a private firm, the minimum number of employees is two, and the maximum number is 200.
Continuity	Death, insanity, incarceration, physical illness, and bankruptcy all have an impact on a firm and can lead to its closure.	Company operations are not halted, and business continuity is not jeopardised.	It will only be decommissioned after a precise procedure known as winding up is finished. Members may come and leave, but the company remains in existence.

5. Answer: The legal relationship between participants in a partnership in which each has authorisation powers and the authority to engage the partnership into business contracts is known as mutual agency. To put it another way, each partnership member has the capacity to make business decisions that commit or tie the partnership as a whole to a business deal with a third party or entity. Even though the partnership agreement expressly forbids it, a grocery store partner who purchases a delivery vehicle makes a legally binding contract in the name of the partnership. On the other hand, if a law firm partner bought a snowmobile for the firm, such behaviour would be illegal.

6. Answer: Partner by Estoppel is a legal term that refers to a legally binding partnership that can exist even though there is no formal partnership agreement in place. A person

who advertises himself or herself as a partner in a firm through conduct or words, or enables himself or herself to be represented as such, is accountable for the credit or loans received by the firm on the basis of such representation. Also known as partnership presumption. The partner does not contribute to the capital or administration of the company, yet his responsibility is limitless.

7. Answer: A secret partner is a person or partner who is not publicly known in a venture or business. He contributes money to the cause. He's a part of the management team, but only behind closed doors. He also shares in the profits and losses of the firm. His, and others', responsibilities are infinite.

8. Answer: Producers' Cooperative Societies were formed to safeguard the interests of small farmers. Producers interested in obtaining inputs for the creation of items to meet consumer demand are among the members. Profits are divided based on their contributions to the society's overall pool of products produced or sold.

9. Answer: A cooperative society is a voluntary group of people who get together for the common good of its members. The cooperative society is governed by the premise of "one man, one vote." Each member has the same number of votes. As a result, democratic values govern cooperative society.

10. Answer: Yes, they can admit Ryan as a partner to the partnership firm's advantages with the permission of the partners. A minor is a person who is under the age of eighteen. Because a minor is incapable of forming a legally binding contract. He is unable to become a partner in a firm. A minor can, however, be added to the advantages of an established partnership business with the agreement of all other partners. It's unrealistic to expect him to absorb the losses. His responsibility will be limited to the amount of money he has put into the business. He will be unable to engage fully in the running of the company.

### Long Answers –

1. Answer: Characteristics of Business Enterprises:

The main characteristics of various types of business enterprises are given below –

**1. Public Sector Enterprises:** Public enterprises or public sector enterprises are those enterprises that are owned and operated by the government. The capital of such enterprise is contributed by the central government, state government, or the local government.

Their characteristics are as follows:

(a) State ownership: Public enterprises are owned by the government. Even where private entrepreneurs are permitted to invest capital, more than 50 percent of capital is in government hands.

(b) Government control: The management and control of public enterprise exclusively risk with the government. Parliamentary control is exercised over public enterprises.

(c) Service motive: The public welfare or service is the main objective of public enterprise though it may also earn profits. There is usually benevolent management in public enterprises.

(d) Public accountability: The capital of public enterprise is supplied from the public exchequer or government department in charge of public money. Therefore, public enterprises are accountable to the general public.

**2. Private Sector Enterprises:** The characteristics of private sector enterprises are as follows:

(a) Private ownership: It is owned and managed by a private enterprise or group of individuals. The entire share capital is provided by these businessmen.

(b) No state participation: There is no participation by the Central or state governments in the establishment and ownership of a private-sector enterprise.

(c) Independent management: The management and control of a private-sector enterprise are vested in the hands of one or more private businessmen.

Management is accountable to the owners (their elected representatives). There is no interference by the government in internal management.

(d) Profit motive: The main object of a private-sector enterprise is to earn profits rather than to render service to society.

**3. Joint Sector Enterprises:** The characteristics of joint sector enterprises are as follows:

(a) Mixed ownership: The government, private entrepreneurs, and the investing public jointly own a joint sector enterprise.

(b) Combined management: The management and control of a joint sector enterprise lie with the nominees or representatives of the government, private businessmen, and the public.

(c) Share capital: The shares of the government, private businessmen and the public in the capital are 26 percent, 25 percent, and 49 percent, respectively. The aim is to pool the financial resources and technical knowledge how of the state and the private individuals.

Comparison Between Private, Public, And Joint Sector Enterprises:

Point of Distinction	Public enterprise	Private enterprise	Joint sector
1. Ownership	Government-owned	Private persons	Government and private both
2. Management	By government officials	By private owners or professional managers	Both government and private individuals
3. Capital	51 percent or more by the government	By private investors	Government and private both
4. Purpose	Service to the society	Earning profits	Profit and social objectives
5. Government control	Control by Parliament	No strict control by Parliament	Mayor may not be
6. Audit	By Comptroller and Auditor General. Compulsory in all cases	By practicing chartered accountants. Not compulsory in all cases	By qualified auditors
7. Accountability	To the public	To the owner authority	To both government and private

2. Answer: Scope of setting up small business enterprises:

There is considerable scope for setting up small scale units due to the following reasons –

1. Limited Demand:

The demand for certain products is local and seasonal. In such cases, it is not economical to attempt a scale of operation which exceeds local demands. Brick kilns, hair: cutting saloons, restaurants, etc. are examples of such cases. In the case of perishable goods also, the size of firms tends to be small. In certain cases, the nature of the production process favors small units.

2. Specialised Service:

When an enterprise supplies specialized services, small scale firms are more suitable. Beauty parlors, interior decorators, and tailoring shops are examples of this type. A small firm can understand its customers and can provide personal attention which may not be possible in a large-scale enterprise. Similarly, firms providing professional services like eye clinic, tax consultancy, chartered accountancy, etc. are also organized as a small scale because they must maintain, personal touch with their clients. Thus, small firms are required to cater to individual tastes and fashions and to render personalized services to consumers.

3. Flexibility:

Certain businesses are subject to wide variations in demand, e.g. manufacture of jewelry, ready: made garments, etc. In such cases, greater flexibility of operations is required. Small



firms can be more flexible due to simple technology and low overheads. They are capable of being adapted to changing tastes and fashions. They can easily make changes in products and can shift to new lines of business whenever the need arises. Therefore, small firms are more suitable for manufacturing and selling specialty items that may be popular for only a short period of time.

#### 4. Employee relations:

When close rapport with employees is essential to provide high-quality products to the customers, small scale unit is in a better position. The owners, also the managers of such business have the most valuable advantage of being close to the employees. They know better their problems and can take necessary remedial measures quickly and efficiently.

#### 5. Introduction of New Products:

Before starting the production of a new product on a commercial scale, it is always desirable to test it in the market. In the initial stages, the requirements of customers and management are uncertain and unknown. Therefore, operations are usually carried on a small scale when new products or ideas are being introduced in the market. This also helps to reduce the risk.

#### 6. Direct Motivation:

Small scale enterprises foster individual initiative and skill. The identity of ownership and management serves to curb misconduct as mistakes bear directly on one's property and income. There is maximum incentive to put the resources to best use because the resulting gains accrue directly to the owner. Red: tapis is absent and prompt decisions are possible.

#### 7. Human Inertia:

Many businessmen do not want to expand their business due to fear of loss of freedom. Growth may involve more work and worry. People who want to lead a comfortable and simple life may be satisfied with the small scale of business.

8. Shield to Big Business Many small firms serve as ancillary units or feeders to large firms. Such units also provide a training ground for entrepreneurs. Small firms also provide some guarantee against the emergence of new competition. A threat to the big firms. They provide superficial evidence that monopoly does not exist in the industry.

#### 9. Social Utility:

Small scale industries are helpful in generating self: employment for a large number of persons. These industries are also useful in preventing the concentration of income and wealth. They facilitate the economic development of rural and backward areas. Small firms use local resources and their social cost is comparatively low.

#### 10. State Assistance and Patronage:

Small scale industries get several concessions from the government on account of their social benefits. The government provides then loans on concessional rates of interest. Technical, managerial, and marketing assistance is also provided. The government has reserved several products for exclusive production in the small scale sector. Several institutions have been set up to protect and promote the growth of small scale industries in the country.

3. Answer: A partnership firm can have different types of partners with different roles and liabilities. There can be the following types of partners:

Active Partner

Sleeping or Dormant Partner

Secret Partner

Nominal Partner

Partner by estoppel

Partner by holding out

Minor Partner

1. Active Partner: Those partners who contribute capital and also takes an active part in the management of the firm are called active partners. These partners act as agents of the firm and have unlimited liability. All other partners are responsible for their deals.

2. Sleeping or dormant partner: Those partners who contribute capital only but do not take an active part in the affairs of the business are called sleeping partners. They have shared in the profit loss of the firm and also have unlimited liability. But they do not come face to face with the third party.

3. Secret Partner: This type of partner contributes capital and takes an active part in the management of the firm's business. He shares in the profit and losses of the firm and has unlimited liability. However, his connection with the business of a partnership firm is not known to the outside world.

4. Nominal Partner: Those partners who neither invest money nor have shared in the profit and loss and also have no role in the administration of the firm. The firm makes them partners to gain from their personal goodwill. They have unlimited liability also.

5. Partner by estoppel: A person who by his words or conduct, represents himself as a partner becomes liable to those who advance money to the firm on the basis of such representation. He cannot avoid the consequences of his previous act.

6. Partner by holding out: When a person is declared as a partner and he does not deny this even after becoming aware of it, he becomes liable to third parties who lend money or credit to the firm on the basis of such a declaration.

7. Minor Partner: A minor is a person who has not completed 18 years of age. Minor may be admitted as a partner only for the benefits of the partnership with the mutual consent of all the partners. On being so admitted, a minor can impact and copy the books of accounts but could not take an active part in the management. His liability is limited to the intent of his share in the capital and profit of the firm.

4. Answer: A partnership can be classified on the basis of two factors:

Duration,

Liability.

On the basis of duration, there can be two types of partnership:



Partnership at will,

Particular partnership

On the basis of liability, the two types of partnership are:

Partnership with limited liability

Partnership with unlimited liability.

On the basis of Duration:

1. Partnership at will: It is a partnership formed for an indefinite period. It can continue for any length at any time depending upon the will of the partners. It can be dissolved by any partner by giving notice to the other partners of his desire to quit the firm.

2. Particular Partnership: It is a partnership formed for a particular objective. It is formed for a specific time period or to achieve specified objectives. It is automatically dissolved on the expiry of the specified period or on the completion of the specific purpose for which it was formed.

On the basis of liability:

1. Partnership with limited liability:

In this type of partnership the liabilities of partners are limited to the amount of capital introduced by them except one partner who has unlimited liability. Registration of such a partnership is compulsory. The limited partner could not take an active part in the firm's management and their acts also do not bind the firm or other partners.

2. Partnership with unlimited liability:

This is also called a general partnership. In this liability of the partner is unlimited and joint. They enjoy the right to participate in the management of the firm and their acts are binding on each other as well as on the firm. Registration of this type of firm is optional. Because of unlimited liability, the firm's creditors can realize these dues in full from any of the partners by attaching their personal property if the firm's assets are found to be inadequate to pay off its debts.

### Case Study Answers –

1.

(i) c) Sole Proprietorship

**Solution:**

The form of business organisation formed by Sambal Singh is Sole Proprietorship. A sole proprietorship, also known as the sole trader or simply a proprietorship, is a type of business entity that is owned and run by one individual and in which there is no legal distinction between the owner and the business.

(ii) b) Sole recipient of profits and no diffusion of risk

**Solution:**

- Sole recipient of profits and no diffusion of risk.

- Sole proprietorship refers to a form of business organisation which is owned, managed and controlled by an individual who is the recipient of all profits and bearer of all risks. This is evident from the term itself. The word “sole” implies “only”, and “proprietor” refers to “owner”.

(iii) b) Unlimited

**Solution:**

As a sole proprietor you would be fully responsible for all debts and obligations related to your business. A creditor with a claim against a sole proprietor would normally have a right against the sole proprietor's assets, whether business or personal. This is known as **unlimited liability**.

(iv) d) Owner

**Solution:**

Manish will be the owner. A business owner is the legal proprietor of a business. An individual or group that owns the assets of a firm and profits from them.

2.

(i) b) Dormant

**Solution:**

Himanshu is dormant partner. A sleeping partner is also known as a “dormant partner”. This partner does not participate in the day-to-day functioning activities of the partnership firm. A person who has sufficient money or interest in the firm, but cannot devote his time to the business, can act as a sleeping partner in the firm.

(ii) d) All of these

**Solution:**

If the partners are not able to complete the project effectively and efficiently, then all of the partners will be held liable for the losses incurred on account of noncompletion of project

(iii) b) Particular partnership

**Solution:**

It is a particular partnership. A partnership formed for a single transaction or enterprise as distinguished from one organized for carrying on a general business.

(iv) c) Partnership deed

**Solution:**

The written agreement which defines the terms and conditions of such partnership is Partnership deed.