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HINDU UNDIVIDED FAMILY AND PARTNERSHIP**I. CHOOSE THE BEST ANSWER:**

1. The firm of Hindu Undivided Family is managed by whom?

- (a) Owner (b) Karta (c) Manager (d) Partner

2. In the firm of Hindu Undivided Family, how one gets the membership?

- (a) By Agreement (b) By Birth (c) By Investing Capital (d) By Managing

3. The Members in the joint Hindu family are called _____

- (a) Karta (b) Coparceners (c) Generations (d) Partners

4. Only the male members in the family get the right of inheritance by birth' as _____

- (a) Hindu law (b) Mitakshara Law (c) Dayabhaga law (d) None of these

5. A partnership is formed by _____

- (a) agreement (b) relationship among persons
(c) the direction of government (d) friendship

6. Registration of partnership is _____

- (a) compulsory (b) optional (c) not necessary (d) none of the above

7. A temporary partnership which is formed to complete a specific job doing a specified period of time is called _____

- (a) Partnership-at-will (b) Particular partnership
(c) Limited Partnership (d) Joint Venture

8. The partnership deed also called _____

- (a) Articles of Association (b) Articles of Partnership
(c) Partnership Act (d) Partnership

9. A partnership is registered with _____

- (a) Registrar of Companies (b) Registrar of Co-operatives
(c) Registrar of Firms (d) District Collector

II. VERY SHORT ANSWER QUESTIONS

1. Who is called KARTA?

All the affairs of a Joint Hindu Family are controlled and managed by one person who is known as 'Karta'.

2. What are the two schools of Hindu law?

- ♣ Dayabhaga law
- ♣ Mitakshara law

3. Who is a called a Partner?

The persons who enter into partnership are individually called 'Partners'.

4. Who is a Sleeping partner?

Such a partner contributes capital and shares in the profits or losses of the firm but does not take part in the management of the business.

5. Who is a Minor?

Person who has not completed 18 years of age is a minor.

6. How many types of Dissolution?

- ❖ Without the order of the court
- ❖ By order of the court.

III. SHORT ANSWER QUESTIONS:

1. What is the meaning of Joint Hindu Family Business?

"When two or more families agree to live and work together, invest their resources and share profits or losses together, then this family is known as composite family or HUF"

2. Write any 3 features of HUF.

i. Governed by Hindu Law

The business of the Joint Hindu Family is controlled and managed under the Hindu law.

ii. Minor also a co-parcener

In a Joint Hindu Family firm even a new born baby can be a co-parcener.

iii. Management

Joint Hindu Family are controlled and managed by one person who is known as 'Karta'.

3. Explain the nature of liability of karta.

Y Except the Karta, the liability of all other members is limited to their shares in the business.

Y The amount of debt can be recovered from his personal property also.

4. What is the meaning of Coparceners?

- ❖ In a Joint Hindu Family firm even a new born baby can be a co-parcener.
- ❖ The head of the family member is called Karta. And other members are called Coparceners.
- ❖ Today Hindu succession Act 2005 is applicable to all male and female members of a HUF.

5. Define Partnership.

“The relations which exist between persons, competent to make contracts, who agree to carry on a lawful business in common with a view to private gain”.

- Prof. Haney

6. What is the minimum and maximum number of members in the partnership concern?

- ✿ Minimum numbers of persons are 2.
- ✿ Maximum number of partners 10 in banking sector and 20 in Non-banking sector.

7. What is the meaning of Partnership Deed?

- ★ A partnership firm can be formed through an agreement among two or more persons.
- ★ In India the agreement may be oral or writing.
- ★ Partnership agreement is also known as partnership deed.

8. Who is called a Secret partner?

- ❖ A secret partner is one whose association is not known to the general public.
- ❖ Other than this distinct feature, he is like rest of the partners in all respects.

9. What is meant by Joint and Several Liabilities?

- ✖ Every partner is jointly and severally liable for all acts of the firm.
- ✖ It means that in case the assets are inadequate for meeting the claims of creditors, even their personal properties should be made available.

IV. LONG ANSWER QUESTIONS

1. What is the implied authority of Karta?

- ⊗ In a joint family firm, only Karta has the implied authority to enter into a contract for debts and pledge the property of the firm for the ordinary purpose of the businesses of the firm.
- ⊗ The Karta is the senior most male member of the family.

- ✧ The members of the family have full faith and confidence in Karta.
- ✧ Only karta is entitled to deal with outsiders.
- ✧ Other members can deal with outsiders only with the permission of Karta.

2. Can a minor is admitted in the Joint Hindu Family business – Why?

- ☉ In a partnership minor cannot become co-partner though he may be admitted to the benefit of partnership.
- ☉ In a joint hindu family firm even a new born baby can be a partner.
- ☉ The member ship of the family can be acquired only by birth.
- ☉ As soon as the male child is born in the family that child become a member.

3. What are the contents of Partnership Deed?

- | | |
|-----------------------------------|-----------------------|
| ✧ Name of the Firm | ✧ Interest on capital |
| ✧ Nature of the proposed business | ✧ Loan from partners |
| ✧ Duration of partnership | ✧ Retirement |
| ✧ Capital contribution | ✧ Goodwill valuation |
| ✧ Withdrawal from the firm | |

4. Explain the types of dissolution of partnership firm.

- ✧ *Without the order of the court and*
- ✧ *By order of the court.*

a. Without the order of the court:

i. By agreement or mutual consent:

- ✧ A firm may be dissolved when all the partners agree to close the affairs of the firm.
- ✧ Just as a partnership is created by contract, it can also be terminated by contract.

ii. By insolvency of all the partners but one:

- ✧ If any of the partners adjudged an insolvent it is necessary to dissolve the firm.

iii. When the objective becomes illegal:

- ♥ When the business carried on by the partnership becomes illegal, the partnership firm is automatically dissolved.

iv. By notice of dissolution:

- ☛ In the case of partnership at will when any partner gives in writing to all the other partners indicating his intention to dissolve the firm, the firm will be dissolved.

b. Dissolution through court:

The court may order dissolution of a firm at a suit of a partner in any of the following circumstances.

- ✿ When a partner becomes insane
- ✿ Permanent incapacity of any partner
- ✿ Misconduct of any partner
- ✿ Transfer of interest to third person
- ✿ Continued loss

5. Write any three differences between Dissolution of Partnership and Dissolution of Firm.

S.no	Dissolution of Partnership	Dissolution of Firm
1	Only one or more of the partners terminate their connections with the firm.	All the partners terminate their connections with the firm.
2	It may or may not bring the business of the firm to an end.	It brings the business of the firm to an end.
3	The business will continue even after dissolution.	It cannot be continued in the case of dissolution of firm.

6. Write the procedure for Registration of a Firm.

- ✿ Name of the firm.
- ✿ The principal place of business.
- ✿ Name of other places where the firm carried on business.
- ✿ Names and addresses of all the partners.
- ✿ The date on which each partner joined the firm.
- ✿ The duration of the firm.

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