

**Test - 1****The Indian Partnership Act, 1932 (Unit - 1)**

**Q.1:- What is the maximum number of a partner in partnership firm?**

- (a) 10
- (b) 100
- (c) 20
- (d) 200

**Q.2:- A partnership at will is one which does not:**

- (a) Have any deed
- (b) Have any partner
- (c) Provide for how long the business will continue
- (d) Dissolves

**Q.3:- When partnership deed does not exist then the profit sharing ratio among the partners will be:**

- (a) Capital Ratio
- (b) Equal Ratio
- (c) Sacrifice Ratio
- (d) Gain Ratio

**Q.4:- The Indian Partnership Act came into existence in the year:**

- (a) 1857
- (b) 1872
- (c) 1932
- (d) 1972

**Q.5:- Partnership can be formed for:**

- (a) A fixed Period
- (b) A particular adventure
- (c) At will
- (d) All of the above

**Q6:- Which of the following is not an essential characteristic of partnership?**

- (a) The business must be carried on by all or any of them acting for all
- (b) The partnership deed must be in writing
- (c) There must be sharing of profits of business
- (d) There must be an agreement

**Q7:- A partnership is deemed to be a partnership at will when:**

- (a) No fixed period has been agreed upon for the duration of partnership
- (b) There is no provision made as to the determination of partnership in any other way
- (c) Both (a) and (b) above
- (d) None of the above

**Q8:- What is the difference between a partner and a co-owner:**

- (a) Partner is the agent of the other partners while co-owner is not the agent of other co-owners
- (b) Partner has a lien on the firm property while a co-owner has no lien on the property
- (c) Partners must share profits and losses but co-owners does not necessarily share profits and losses
- (d) All of the above

**Q9:- What is the difference between a Joint Hindu Family and a Partnership?**

- (a) In a Joint Hindu Family, firm arises by contract whereas in partnership firm arises from status
- (b) In a Joint Hindu Family, Karta is liable for all business activities whereas in partnership all partners are jointly not liable
- (c) Death leads to dissolution of partnership whereas it does not leads to dissolution of family business
- (d) All of the above

**Q10:- A minor when admitted to the benefits of the partnership \_\_\_\_\_.**

- (a) Is liable for all the liabilities of the firm in person
- (b) Is liable for all the liabilities of the firm through his properties
- (c) Is never liable for any of the liabilities of the firm
- (d) Is liable in accordance with the provisions of the Indian Partnership Act, 1932

**Q11:- Active partner is one who:**

- (a) Takes part in the business of the firm
- (b) Actively participates in co-curricular activities
- (c) Actively shares the profits
- (d) Makes a show of authority

**Q12:- Which of the following is correct:**

- (a) Liability of a partner in a partnership firm is unlimited
- (b) Liability of a member of a HUF is unlimited
- (c) Both the above
- (d) None of the above

**Q13:- Where a partner agrees to share his profits in the firm with a third person, that third person is called:**

- (a) Nominal partner
- (b) Sub partner
- (c) Active partner

- (d) Partner in profits only

**Q14:- Holding out partners become liable for the acts of the firm:**

- (a) Personally and individually  
(b) Jointly  
(c) Liable with his family member  
(d) Not liable

**Q15:- Which of these statements is not true with respect to a Joint Hindu Family business?**

- (a) It can have only female members  
(b) A Joint Hindu Family firm arises on the basis of status i.e. birth or by operation of law  
(c) Death of a coparcener does not dissolve the Joint Hindu Family firm  
(d) Coparcener is liable only to the extent of his share in the family property

**Q16:- X and Y formed a partnership firm to undertake construction of a Terminal for Northern Railway at Pune. This partnership is a:**

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

**Q17:- In the absence of agreement to the contrary all partners are:**

- (a) Entitled to share profits equally  
(b) Entitled to share in capital ratio  
(c) Entitled to share in proportion to their ages  
(d) Not entitled to share profits

**Q18:- A partnership cannot be formed between:**

- (a) Individuals  
(b) Artificial persons  
(c) Two partnership firms  
(d) Natural person and artificial persons

**Q19:- According to the Partnership Act, "Business" includes:**

- (a) Trade (b) Occupation  
(c) Profession (d) All of the above

**Q20:- Which of the following constitutes Partnership?**

- (a) Members of HUF carrying on family business  
(b) Persons who have inherited a house property jointly  
(c) Two parties carrying on business for defined share in profits.

- (d) A Burmese Buddhist husband and wife carrying on a business

**Q21:- In relation to a Firm or Partnership, "Third Party" means:**

- (a) A relative Partner  
(b) Lineal descendant of a Partner  
(c) Lineal descendant of a Partner  
(d) Any person who is not a partner in the Firm

**Q22:- To form a Partnership, the minimum capital contribution should be:**

- (a) Rs.1 Lakh  
(b) Rs.5 Lakh  
(c) Rs.1 Crore  
(d) There is no minimum limit

**Q23:- Minor when admitted into Partnership:**

- (a) Can interfere in the day to day affairs of the Firm  
(b) Cannot inspect any books of accounts of the Firm  
(c) Becomes personally liable  
(d) Can opt to continue as a Partner or not, on attaining majority

**Q24:- Which of these statements does not reflect the mutual agency principle in Partnership?**

- (a) The Partner is both an Agent and Principal  
(b) A Partner can, by his act bind other partners and is in turn bound by acts of other Partners.  
(c) All Partners should actively participate in the business"  
(d) Business may be managed by one or more Partners

**Q25:- With in .....period on his attaining majority or obtaining knowledge that he has been admitted to the benefits of the Partnership, whichever is later, a minor may. Give public notice of his decision to continue or withdraw from the Firm.**

- (a) Three months (b) Six months  
(c) Nine months (d) One year

**----- Best of Luck -----**

