

SUVA SANGAM COLLEGE

YEAR 11

ACCOUNTING

WORKSHEET 5

Strand 3	Nature of Accounting
Sub Strand 3.1	Business Ownership and Sole Proprietor Formation
Content Learning Outcome	Describe the different types of business ownership

Questions

- What is the limit of members in case of a Private Company?
A. 2 B. 7 C. 10 D. 50
- The capital of a company is divided into number of parts each one of which are called
A. Share B. Dividend C. Profit D. Interest
- The structure in which there is separation of ownership and management as per law is called
A. Company B. All business organizations C Partnership D. Sole proprietorship
- Study the shareholders equity section of a business given below and answer the questions that follow.

Shareholders' Equity			
Authorised capital		240 000	
Less Unissued capital		20 000	
Issued and paid up capital		220 000	
Less uncalled capital		22 000	
Called- up and paid-up capital		198 000	
Add Reserves			
Share premium		3 000	
General reserve		2 000	
Profit and loss appropriation		14 249	
Total Shareholders Fund			217 249

Source: year 13 Accounting text

- State the type of business ownership depicted above. (1 mark)
- Determine the total shareholders equity in the business (1 mark)
- How are profits appropriated in this type of business? (1 mark)
- Explain the term authorized capital. (1 mark)