

4 Lecture - MGT211

Important Mcqs

1. **What is a partnership?**

- a) A business organization in which an individual owns and manages the business
- b) A business organization in which two or more individuals own and manage the business
- c) A business organization in which shareholders own the business

Answer: b

2. **What is the legal agreement that outlines the responsibilities of each partner in a partnership called?**

- a) Partnership bylaws
- b) Partnership agreement
- c) Partnership charter

Answer: b

3. **What is the maximum number of partners allowed in a general partnership?**

- a) 2
- b) 5
- c) There is no maximum limit

Answer: c

4. **In a limited partnership, who is responsible for the management of the business?**

- a) All partners
- b) General partners only
- c) Limited partners only

Answer: b

5. **What is the liability of a general partner in a partnership?**

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

Answer: b

6. **What is a silent partner?**

- a) A partner who does not participate in the management of the business
- b) A partner who is not liable for the debts of the business
- c) A partner who invests money in the business but has no ownership stake

Answer: a

7. **What is a partnership dissolution?**

- a) The process of forming a partnership
- b) The process of terminating a partnership
- c) The process of adding a new partner to a partnership

Answer: b

8. **What is a partnership buyout?**

- a) The process of buying out a competitor's business
- b) The process of buying out a partner's ownership stake in a partnership
- c) The process of selling a partnership to a third party

Answer: b

9. **What is a limited liability partnership?**

- a) A partnership in which all partners have limited liability
- b) A partnership in which some partners have limited liability
- c) A partnership in which no partners have limited liability

Answer: b

10. **What are the tax implications of a partnership?**

- a) Partnerships are taxed as separate entities
- b) Partnerships are not subject to taxation
- c) Partnerships are taxed as pass-through entities

Answer: c