Model II Rev Key Jan 2018

Part A Choose the Best 20 x 1 = 20

1.(c) A Joint Stock Company
2.(b) One man one vote principle
3.(b) Joint Hindu family business
4.(a) Sole Trader
5.(d) Share
6.(c) Any one person
7.(c) Small scale concerns
8.(b) Optional
9.(a) principal and agent
10.(b) amount remaining unpaid on the shares
11.(d) both dividend and return of capital on winding up
12.(a) Creditors
13.(c) by being named in the Articles of Association
14.(c) The Board of Directors
15.(b) 1956
16.(a) Stag
17.(a) England
18.(b) Districts
19.(b) Company Act 1956
20. (C) Government Company

Part A Fill Up 20 x 1 = 20

21.Departmentation
22.Entrustment
23.Statutory
24.unlimited
25.20
26.Joint Venture
27.Seven
28.Prospectus
29.Five thousand
30. Certificate of Incorporation
31.21
32.Five
33.21
34.Brokers / Underwriters
35.90%
36.Compulsory
37.Robert Owen
38.9%
39.Special statute
40.Private sector

Part B Answer Any Ten Only 10 x 4 = 40

41. The various activities of an undertaking or organisation should be **co-ordinated** to secure the desired results. The different departments may have to functions frequently in close consultation with other departments in a departmental store. The purchase departments and sales department activities must be well co-ordinated to increase profit.

42. Louis A. Allen has defined **organisation** as "the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives."

43.Non-corporate business enterprises may be organized as: 1. Sole proprietorship 2. Partnership or 3. Joint Hindu Family Business

44. A partnership firm can be formed through an agreement among two or more persons. In India, this agreement may be oral or in writing to avoid any misunderstanding among the partners in future. All the terms and conditions of partnership are included in the agreement. The partnership agreement is also known as **Partnership Deed** or Articles of Partnership.

45.The liability of partners is not only unlimited but also **joint and several** Each and every partner has unlimited liability for business debts. If the assets of partnership are not sufficient to repay the business debts in full the creditors of partnership firm can claim their dues from the private assets against the private properties of anyone of the partners to get back their dues. such a liability of partners is called Joint and several Liability.

46. In a company **limited by guarantee** the liability of a shareholder is limited to the amount he has voluntarily undertaken to contribute to meet any deficiency at the time of its winding up. Such a company may or may not have a share capital. If it has a share capital a member’s liability is limited to the amount remaining unpaid on his shares plus the amount guaranteed by him. This type of company is started with the object of promoting science, arts, sports, charity, etc. It is clear that its objective is not profit earning. It gets subscription from its members and donations and endowments from philanthropists.

47.Limited liability:

48.Foreign company means a company incorporated outside India but having a place of business in India. It has to furnish to the authorities the full address of the registered or principal office of the company or a list of its directors or names and address of the residents in India authorize to receive notices, documents, etc.

49. The first meeting of the shareholders of a public limited company which is mandatory as per the companies Act is known as **statutory meeting**. Every public limited company limited by shares and a guarantee company must compulsorily hold this meeting within 6 months and not earlier than one month from the date on which the company is entitled to commence business. This is held only once in the life time of the company is entitled to commence business. This held only once in life time of the company.

50. Who can convene Extraordinary General Meeting ? An extraordinary general meeting may be convened by the Board of directors on its own, or on the requisition of the members subject to certain conditions.

51. If a director is absent for valid reasons, for a period of not less than three months from the date in which meetings of the Board are ordinarily held, the board of directors can appoint a person to act as director in his place. Such a person is called **Alternate director**. It should be empowered by the Articles of Association

52. The **prospectus** is any document described or issued as a prospectus and includes any notice, circular, advertisement or other documents inviting deposits from the public, inviting others from the public for the subscription or purchase of shares or debentures of a company.

53. The securities Contracts (Regulations) Act, 1956 defines stock exchange "as an association, organization or body of individuals, whether incorporated or not, established for the purpose of assisting, regulating and controlling the business of buying, selling and dealing in securities".

54. Robert Owen started the first ever co-operative movement in the year 1844 with 28 members called as 'Rochdale society of Equitable pioneers" It was a consumer's co-operative society .The father of this movement was Robert owen.

55. According to Indian Companies Act 1956, "**Government company** means any company in which not less than 51% of the paid-up share capital is held by the central government or by state governments or government or partly by the central government and partly by one or more state government and includes a company which is a subsidiary of a government company",

Part C Answer Any Five Only 5 x 8 = 40

56. Explain any two types of individualistic institutions

1. Sole trader: Meaning: The person who contribute capital and manages the business is called as "Sole trader" or "Sole proprietor". It is the oldest form of business organisation. 1. Ownership & Control: Sole trader business is owned and controlled by a single individual. 2. Profit or Loss: He enjoys the entire profit and bears entire loss of the business. 3. Liability: The liabilities of the sole trader is Unlimited. 4. Legal Formalities: No legal formalities is required to formation of Sole trader. 5. Principle: "All is he and he is all in all" is the principle of Sole trader

2. Partnership: 1. No. of Persons: Partnership is the relationship between two or more persons. So, there must be more than one person. The maximum number of partners has been limited to 10 in the case of banking business and 20 in the case of other business 2. Agreement: A partnership is created by an agreement. The agreement may be oral or in writing. 3. Act: Partnership business is governed by Indian Partnership Act 1932. 4. Registration: In India the registration of partnership firm is not compulsory. It is only optional. If it is registered, it can enjoy certain advantages. 5. Share of Profit: The profit or loss of partnership is shared by the partners in the ratio as given in the agreement. If there is no agreement regarding sharing of profit or loss, all the partners share equally.

57. What are the drawbacks of non-registration of partnership firm?

1. A partner of an unregistered firm cannot file any case against the firm or against any other partner, including an ex-partner for enforcing his contractual rights under the partnership agreement or under the Act. 2. An un-registered firm cannot file any suit against third parties in any civil court for recovering the money due. 3. Any third party can take legal action against the business or the partners. 4. The firm cannot take legal action against its partners. 5. An unregistered firm cannot enforce its claims against third parties for recovering a sum exceeding rupees one hundred. 6. A partner cannot sue for dissolving the firm or realising the property of the dissolved firm or for the settlement of accounts on dissolution. 7. The firm forfeits its rights in restricting the outsiders from using the trademarks and copyrights of the firm.

58. Contents of the Articles: 1. The extent to which the regulations in Table A are to be excluded. 2. Adoption or execution of preliminary contracts if any. 3. Share capital, different classes of shares, rights attached thereto, etc. 4. Allotment of shares, calls on shares. 5. Procedure relating to forfeiture of shares and their re-issue. 6. Issue of share certificates and share warrants. 7. Rules regarding transfer of shares and transmission of shares. 8. Conversion of shares into stock. 9. Payment of underwritting commission on shares and debentures. 10. Alteration of share capital. 11. Qualification and remuneration of directors. 12. Borrowing powers of directors. 13. Appointment, qualifications, powers, duties, remuneration, etc of managing director, manager and secretary. 14. Appointment of directors. 15. Rules regarding use of common seal of company, Board meetings and voting rights of members, proxies and polls. 16. Procedure for conducting different kinds of general meetings. 17. Payment of dividends, creation of reserve, etc. 18. Issue of redeemable preference shares, if any. 19. Winding up.

59.Position of Directors 1. Directors as agents When the directors enter into contract with third parties, sign documents for and on behalf of the company etc. they act as the agent of the company. They bind the company by their acts. **2. Directors as Trustees** They are in the position of trustees, when they manage the assets and properties of the company. Similarly when they exercise the powers entrusted to them they are in the same position. It means that they should safeguard the interest of the company and should never abuse the powers for promoting their personal ends. **3. Directors as Officers** Directors also act as officers of the company. When they have to manage the affairs of the company, they are in the position of Chief Executive Officers. Thus the directors combine in themselves the roles of agents, trustees and officers.

60. BOLT: How does it work?

Brokers send their quotes, orders, negotiated deals and in-house deals from their offices to the Central Trading Engine (CTE) from their broker's workstation. The best bid and the best offer is available to all broker workstation using a mechanism called "Broadcast of market information". The buy and sell orders placed by the brokers/traders are matched with the best available price in market for that security (Scrip). After they are matched and the transaction concluded, a conformation is sent to the broker, which can be printed out. **Strength of BOLT** 1. Reduces or eliminates operational inefficiencies inherent in manual systems. 2. Increases the trading capacity of the stock exchange. 3. Improves transparency, eliminates unmatched trades. 4. No delay in reporting. 5. Smooth market operations using the latest technology. 6. Provides trade using electronic media to the broker using an interface with the broker's back-office systems. 7. Provides user information like scrip prices and indices 8. Provides analytical data to the stock exchange. 9. For better control of stock exchange operations BOLT allows setting of various checks limits.

61.Credit societies They are voluntary association of people with moderate means. They are formed with the object of giving short-term finance to members. In this way, the cooperative society protects its members from the clutches of the moneylenders. They can be classified in to two types. **A. Agricultural credit societies** It is the credit society, organised mostly by agriculturists of a village. They provide loans to its members for various productive and unproductive purposes relating to Agriculture. Agriculture credit societies are also called as rural credit societies or primary societies. **Rural credit Societies** It is located in rural areas. It secures funds by way of selling shares and by accepting deposits from members and non-members. They lend for productive purpose to small farmers and marginal farmers. They are formed at villages. Its aim is to help their members in developing the habit of savings and banking habit. They also help in collecting rural savings for national development. The liability of the members is unlimited.

62. Public sectors	Private sectors
Service motive	Profit motive
Unlimited resources	Limited resources
Checks concentration of economic power	heads to concentration of Economic power
Develops those sectors which are neglected by the private sector	Develop those industries in which risk is less and returns is more
Deserves nation wealth	Exploitation of natural resources
Brings balanced growth in backward area	Do not establish industries in backward area
Consumer welfare is protected	Consumers are exploited
Model employer	Exploitation of employees

63. Formation of a co-operative society A co-operative society must be registered under the Co- operative Societies Act, 1912 or any other state Co-operative law. A co-operative society can be started with a minimum of 25 persons, having a common interest. An application has to be submitted to the Registrar of Co-operative Societies expressing their intention. The application form is known as Memorandum of Association. It should contain the name and address of the society its objectives, the capital and liability of the members. A copy of the bye-laws stating the rules and regulations of the society should be attached along with the application form. The system of management, procedure with regard to meetings, resolutions, are stated in the bye-laws. The Registrar will, carefully scrutinise the documents in order to ensure that they are in accordance with the provisions of the Act. When he is fully satisfied he will enter the name of the society in his register and issue the Certificate of Registration. By issue of this certificate, the society comes into existence as a body corporate having a separate legal entity.

Part D Answer All 4x20=80

64.(a) ONE-MAN CONTROL IS THE BEST IN THE WORLD William R. Basset has said that one-man control is the best in the world only when the business is small indeed, to allow one actually to know and supervise everything in the business. Following are some of the points in favour of one man control 1. Easy and quick formation. 2. Direct control. 3. Efforts and reward are linked. 4. Retaining business secrets. 5. Close touch with the consumers.6. Enjoying all profits. 7. Inexpensive management. 8. No legal restrictions. 9. Direct contact with the employees. 10. Social desirability. Limitations of one-man control Though there are many advantages of one-man control, still it suffers from many drawbacks. One man is unable to manage all the affairs by himself. Basset says " The danger is always present that he thinks, he knows which really he does not know". Following are some points unfavourable for one-man control. 1. Limited capital. 2. Limited managerial ability. 3. Unlimited liability. 4. Absence of large scale business operation. 5. Risky decisions. 6. Uncertainty.

In conclusion, one-man control is the best from the point of view of profitability and efficiency, provided that one man is able to manage everything efficiently.

64 b.CO-OPERATIVE SOCIETIES	**JOINT STOCK COMPAY**
It is a voluntary association of the weaker section or the people. .	It is mainly organised with the object of making profit. It is an association of persons formed for the purpose of doing a business
minimum number of members is 25 as per the Tamilnadu co-operative Societies Act of 1983	two persons to form a private limited There must be at leat company and seven persons in public limited company.
maximum number of members in a Co-operative Society	maximum is 50 and in a public company there is no maximum limit.
But in a co-operative society the members belong to the same locality.	The members of a public limited company belong to different parts of the country and even different countries of the world.
But a co-operative society registered as per the Cooperative societies Act of a state government	A company is formed and registered as per the companies Act of 1956
All the members are entitled to participate in the management of co-operative societies with the help of the Board of directors	In a joint stock company, the management is entrusted to the Board of Directors elected by the shareholders.
Service is the primary motto of a Co-operative	Profit is the primary motto of a joint stock company.
minimum number of purchase of shares is limited to the extent of utilization of benifits.	In companies there is no limit in the purchase of maximum number of Shares
but a co-operative society enjoys concession like exemption from paying income tax, stamp duty and registration fee etc.	. Government do not provide any concession to joint stock companies as extended to co-operatives.
But in a co-operative society one man vote principle is followed.	In joint stock company one share one vote principle is followed.
In co-operative societies "Each for all and all for each" is the guiding principle.	In a joint stock company the feeling of self interest and competition remain present.

65.a. What are the circumstances under which a partnership firm is dissolved? I. Dissolution without the order of the Court (Sec. 40 to 43) 1. Dissolution by Agreement (Sec.40) 1. A partnership is created and dissolved by an agreement. 2. A firm may be dissolved by an agreement with the consent of all partners. 2. Compulsory dissolution (Sec 41) 1. A firm is compulsorily dissolved if all the partners insolvency or they run unlawful business. 2. Example: Smuggle. 3. Dissolution on the happening of certain contingencies (Sec 42) 1. Death of a partner. 2. Expiry of the duration of partnership. 3. Completion of the specific venture 4. Dissolution by notice of partnership-at-will (Sec 43) 1. Any partner by giving a notice in writing to all the other partners of his intention to dissolve the firm. 2. Then it is dissolution by partnership-at-will. II. Dissolution through Court (Sec.44) 1.Partner's Insanity: If any partner becomes insane or lunatic the court may order dissolution. 2.Permanent Incapacity: When a partner becomes permanently incapable of doing business the court may order dissolution. 3.Breach of Agreement: If a partner persistently violates the agreement then the court may order dissolution. 4.Misconduct of a Partner: If any partner is guilty of misconduct (misuse of money) then any partner can file a suit for dissolution of the firm. 5.Transfer of Share: When a partner transfers his share in the business to a third party without the consent of other partners, then the other partners can move the court for dissolution. 6.Continuous Loss: When the business of the firm is continuous loss for every year, then the court may order for dissolution. 7.Just and equitable grounds: 1. When the court feels that it is just and equitable, it may order for dissolution of the firm. 2. E.g., if A and B are partners but do not speak to each other, the court may order for dissolution.

65 b) Define Stock Exchange. Explain its characteristics and functions.

According to Hastings " **stock exchange** or securities market comparises all the places where buyers and sellers of stock and bonds or their representatives, undertake transactions involving the sales of securities". **Characteristics of Stock Exchange** 1. It is a place where securities are purchased and sold. 2. A stock exchange is a voluntary association of persons whether incorporated or not. 3. Stock exchanges do not conduct business for themselves. They provide facilities to their members to transact in company securities. 4. The trading in a stock exchange is strictly regulated. Rules and regulations are prescribed for various transactions. 5. Each stock exchange formulates its own rules and regulations. Any member who acts against the rules of the exchange can be removed from the membership. 6. Securities included in the official list of the stock exchange alone, can be traded in the stock exchange. The securities of corporations, trusts, governments, municipal corporations, companies, etc. are also dealt at stock exchanges. 7. The members of the exchange elect a governing body. It will exercise proper, direct and adequate control over the activities of the members.

8. Only members can transact in a stock exchange. Any person who has completed 18 years can become a member. 9. Both genuine investors and speculators can buy and sell shares in stock exchange. **Functions of Stock Exchange:** 1. Ready Market: Stock exchange ensures increased liquidity and ready market for the securities. This enables it to attract people who have surplus money even for a short period of time. 2. Mobilisation of Savings: Stock exchange helps in mobilisation of surplus funds of individuals, business firms and cooperatives for investment in popular securities. 3. Evaluation of Securities: Stock exchange helps in determining the price of various securities. The prices at which transactions take place are recorded and they are made public in the form of market quotations which help the investors to know current market prices of various securities. 4. Capital Formation: Stock exchange not only mobilises the existing savings but also induces the public to save money. This facilitates capital formation in the country. 5. Proper Channalisation of Capital: Stock exchange directs the flow of savings into the most productive channels. When an existing company issues securities to raise more capital, it will be successful only if it is earning sufficient profits. Public response to such issues by weaker companies will be discouraging. 6. Fair Dealings: Stock exchanges ensure fair dealings and safety of funds because of strict regulations on the working of stock exchange. The members of the stock exchange have to operate under certain rules which checks over trading, illegitimate speculation and manipulation. Thus, stock exchange safeguards the interest of the investors. 7. Control of Corporate Sector: Every company has to conform to the rules framed by the stock exchange. Through these rules, stock exchange exercises influence on the management and working of companies in public interest 8.Barometer of Business Progress: Stock exchange acts as a barometer of the business conditions in the country. Booms and depressions are reflected by the index of prices of various securities maintained by the stock exchange.

66a.

PARTNERSHIP FIRM	JOINT STOCK COMPANY
Partnership firm is governed by the Indian partnership act, 1932	Companies are governed mainly by the provisions of the companies act,1956
Registration with the registrar of firms is only optional	Registration with the registrar of companies is compulsory
Minimum- 2 Maximum= 10 for banking and 20 for non banking business	Mini 2 Private Ltd Public Ltd 7 Max 50 P Ltd No limit Public Ltd
Partnership firm has no separate existence .	It is an artificial person created by law
The liability of a partner is joint, several and unlimited.	The liability of the share holder is limited to the unpaid amount of shares held.
A partner cannot transfer his interest in the firm without the consent of all other partners.	In a public limited company, shares are freely transferable.
Management of a firm is carried on by all or by any of them acting for all.	Direct participation of shareholders in the management of the company is not allowed.
A partnership firm is not stable.	A company is stable as it is totally unaffected by any such contingencies
In a partnership only individuals can become its members	In a company, an institution can also become a member by purchasing its shares.
Audit of accounts is not required	It is essential for every company to get its accounts annually audited.
Partnership can be mutually dissolved at any time.	Legal formalities for winding up are many.

66b). Discuss the function and duties of a company secretary ? Functions of Company Secretary: 1. Head of the Secretariat Department: controls and supervises 2. Principal Officer: Signs document acts as authorized by board 3. Arranging Meetings: Board meeting, Consulting Chairman of Board and Date, Place, Time Agenda. - Notice of the meeting 4. Provisions of the Companies Act: The Scope of Memorandum and Articles of Associations mentioned the Actions of the Secretary. 5. Functions to Shareholders: Best interest Legal formalities connected with general meeting Records minute in the Minutes Book Queries of Shareholder and others to answering. 6. Relating to Shares: Issue Allotment letters Share certificates Dividend Warrants Share Transfers Forfeiture of Shares 7. Liaison Officer: Staff and Directors Management and Labors Other persons dealing with Company (Communicate and Coordinator) 8. Chief Officer: Close connect with Board - co-ordinate the work of Different Departments. **I. General Duties:** 1. Discharge his Duties Diligently and Honestly - Not beyond the scope of his Authorities. 2. Maintain Secrecy of Confidential matters. **II. Statutory Duties:** 1. To Sign any document requiring authentication. 2. To arrange for filing statement of Lieu of Prospectus. 3. To deliver Share or Debenture Certificate within 3 months of allotment or within 2 months of Registration of transfer. 4. To file notice of situation of the Registered office of the Company. 5. To make a Statutory declaration getting the Certificate of commencement of business and file it with the Registrar. 6. To sign Annual Return. 7. To send notices of general meetings to every members. 8. To prepare Minutes of all meetings. 9. General and Board meetings or Meetings of every committee of the Board within 30 days. 10. To maintain Number of Statutory books – Register of members – Register of Debenture holders etc.

67 a GOVERNMENT COMPANY

FEATURES 1. Incorporation Government companies just like other companies in private sector are registered and incorporated under the Companies Act. 2. Government Finance Most of the share capital or atleast 51% of the total share capital is held by the government. (Central or State or both) 3. Participation of Public Public can also subscribe to the share capital of these companies, if offered to them. 4. Management Government companies are managed by Board of Directors. The members of this Board are nominated by the government which holds the majority of the shares. Government nominates its representatives to different sectors like labour, foreign collaborators, technical experts, consumers, etc. 5. Autonomy It is an autonomous unit with full freedom of action in financial and administrative matters. 6. Employees The employees, except the officers deputed by the government, are not civil servants. 7. Control The government company is under the overall control and supervision of the Minister under whose Ministry it is attached. 8. Auditor The Auditor of a Government company is always appointed by the central Government.

9. Accountability The annual reports of the company must be placed before both the houses of the parliament or legislature. **MERITS:** A government company, the most common form of organisation of State Enterprises has the following merits: 1. Easy to form The formation of a government company is comparatively easy. No prior approval of the parliament/ legislature is required. 2. Flexibility in Management There is flexibility in running the business of the company. It can follow flexible policy to suit the changing business conditions. 3. Freedom of action It enjoys a large measure of freedom in matters of finance, administration and personnel. It can plan its own capital structure. 4. No government interference It enjoys greater freedom and authority and is free from the protracted and time consuming regulations of the Government. So, the government company can work just like any private owned company. 5. Run on commercial lines Government companies are run on sound business lines. They earn surpluses to finance their own expansion. 6. Expertise Government company enables the government to procure and accommodate managerial skill, technical know-how of the private enterprise or foreign countries by conveniently collaborating with them. 7. Healthy competition Government companies provide healthy competition to the private sector. 8. Helpful in developing neglected sectors Private sector may not be coming forth to invest in certain sectors due to risk involved or less returns. But they are important industries from the national point of view. Government companies may enter these neglected areas and can help all round growth of the economy. 9. Efficiency The working of the government companies is open to public criticism in the parliament / legislature. Hence, the management cannot avoid its responsibility. **DEMERITS** 1. Political inference In reality, government companies does not enjoy any autonomy in its activities. The interference of the Ministers has been very frequent. Every Government tries to nominate directors from its own political party and through these, companies are run on political consideration. 2. Minority interest neglected Since government is the majority shareholder, the Government is able to impose its will on the management of such company. 3. Lack of interest The top position

officials of the company are not dedicated to the success of the company as they are frequently transferred. The Board of Directors also do not have necessary skill and experience to run the business on sound business lines. 4. Accountability The Annual Audit Report placed before the Parliament reveal only financial matters. There is no accountability for the operational efficiency, administration, and personnel of the companies. 5. Red-Tapism These companies are dependent on the government for taking important policy decisions. Red-tapism in governments affect the working of these companies. Government company form of organization is suitable in the following circumstances. 1. When the government wants to take over an existing enterprise in an emergency. 2. When the State wants to establish an undertaking in collaboration with private enterprises or with foreign countries 3. When there is a need for flexibility in the operations of the enterprises. 4. When the Government wishes to start the enterprises with a view of transferring it to private management later.

67. b) Types of business Organisation 1.Sole Trader: Sole trader business is owned and controlled by a Single person. It is the Oldest form of business organisation. The liabilities of the sole trader is Unlimited. No legal formalities is required to formation of Sole trader."All is he and he is all in all" is the principle of Sole trader. **2. Joint Hindu Family Business:**This system is found only in India. A Joint Hindu Family comprises of father, mother, sons, daughters, grandsons etc.,The head of the family is known as 'KARTA'.The members are called coparceners.It is regulated by the provisions of Hindu Law. **3. Partnership:** Partnership is the relationship between two or more persons. The minimum number of partners is 2 and maximum is 10 in banking and 20 in other business. Partnership business is governed by Indian Partnership Act 1932. In India the registration of partnership firm is not compulsory. It is only optional.Partners sharing profit or loss in agreed ratio. **4. Joint Stock Company:** A company is a artificial person created by law.Registration is Compulsory as per Indian Companies Act 1956.Classified into Private Limited and Public Limited Company It is managed by Board of Directors elected by Share holders. The liability of the share holders is limited. **5. Co-operative Society:** It is a voluntary association of persons. All the members are equal in cooperatives. Registration is Compulsory as per Co-operatives Act. It is managed by Board of Directors elected by members. "One man one vote" principle is followed in Co-operatives. **6. Multinational Company:** A Multinational Company is a company carrying on business in two or more countries. A Multinational Corporation is also known as 'Global giant' or 'World Enterprise' or 'International Enterprise' Example: Union Carbide, IBM, Coco Cola Corporation, Philips **II. Government Enterprises: 1. Departmental Enterprises:** It is one of the part of the Government.It is the oldest form of organisation of state enterprise. Its administration is in the hands of Civil Servants. It may be run either by central government or by the state government. Example: Railway, Post, Telephone, Defence etc., **2. Public Corporation:** A public corporation is created by a Special Act passed in the Parliament or State Legislature. It is otherwise called "Statutory Company". Service to the public is main aim of public corporation. It is managed by Board of Directors appointed by Government. Example: LIC, RBI, UTI etc., **3. Government Company:** It is Registered under Indian Companies Act 1956. Government company is which not less than 51% of the paid-up share capital is held by the Central Government or any other State Governments or both. It is managed by Board of Directors appointed by Government. Example: BHEL, SAIL, TANSI etc **4. Board Organisation:** It is management by Independent Board nominated by a government. It has its own rules and regulations. Example: Tamil Nadu Electricity Board, Tamil Nadu Housing Board etc.,