

EXPERIENTIAL ACTIVITY ON JOINT HINDU FAMILY BUSINESS

Subject	BUSINESS STUDIES
Class	XI
Chapter/Unit	Forms of Business Organisation
Topic	Joint Hindu Family Business
Time	40 mins.
Nature of Activity	Group

What will I learn (Learning Outcome)?

Understand the Indian culture and way of doing business

Appreciate the role of Karta, being the head of the family business

Being dynamic, accepting changes and challenges

Skills:

Inculcate important skills of team work, problem solving, time management, information collection, processing, analyzing and synthesizing relevant information to derive meaningful conclusions

What we have to do?

We, in group will collect information on old business houses, the way they operated.

How and by whom the business, used to be managed and controlled without professionals.

What do we require?

We will require the material, NCERT Book, paper, pen

What do we need to know?

We should know about Joint Hindu Family business, their way of doing business, role of Karta as head of the firm, examples of JHF Business.

▪ Teacher's Activity

Teacher will create groups of 6 students each to know about Hindu Undivided Family business as the oldest style of doing business which is found only in India. This business is administered by the Hindu Law and the rules of Hindu Succession Act, 1956 govern it.

Student's Activity

We, in group will find the relevant information about this type of business:

- Membership is by birth. There should be at least two members in the family and property to be inherited by them. Three successive generations and sharing of ancestral property is the base.
- The liability of all members except the karta is limited to their share of co-parcenary property of the business. The karta, has unlimited liability and his personal property can be realized to pay back the debts of the business.
- The control of the family business lies with the karta, who is the head of the family. He takes all the decisions and manages the business. His decisions are binding on the other members.
- The business enjoys stability and continues even after the death of the karta as the next eldest member becomes the Karta. The business can however, be terminated with the mutual consent of the members.
- As membership is by birth, minor has also equal share in the family business.

What have I observed?

Basis of differences	Sole proprietorship	Joint Hindu Family Business
Formation		
Control		
Decision making		
Membership		
Liability		
Capital contribution		
Stability of business		

What have I learnt?

I have understood that JHF Business is the oldest Indian Business with traditional values and the eldest member taking all the responsibility for conducting of the business.

What am I curious to learn?

What is the future of this type of organization structure where the youth want to have their own ways?

When the children settle abroad, can this business be continued?

Let me evaluate myself

Q.1. The liability of all the co-parceners except the.....is limited to their share in the business, and consequently their risk is well-defined and precise.

- | | |
|-------------|------------------|
| (a) Karta | (b) Partners |
| (c) Members | (d) Shareholders |

Q.2.. The oldest form of business organization of India

- | | |
|-------------------|-----------------------------|
| a) partnership | b) HUF business |
| c) public company | d) cooperative organisation |

Q.3. In which form of business organization, minor can also be members –

- | | |
|-------------------------|-------------------------|
| (a) Joint Stock Company | (b) Cooperative Society |
| (c) HUF business | (d) Sole Proprietorship |

Q.4. Fill in the blanks:

- a. After the death of Karta, as the nextmember takes up the position of Karta.
- b. Hindu Undivided Family Business is governed byact 1956.

Q.5.-How is the liability of Karta differ from the liabilities of co-parcener?

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Q.6. Why is Joint Hindu Family Business losing its importance in today's world? Give reasons for the same.

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