

Continue































sole proprietorship is the most popular, oldest and simplest form of business organization. It is basically made up of two words, one is 'sole', which means "one" and the second is 'proprietor', which means "owner". So, Sole Proprietorship means a business with a single owner, also known as a sole proprietor. Sole proprietorship is defined as a business organization in which the business is owned, managed, and controlled by a single person. The sole proprietor is the sole recipient of all profits and bearer of all losses of the business. It is suitable for enterprises that require personal attention, personalized services, and limited capital, such as Grocery Shops, beauty parlours, boutiques, etc. Other names of the sole proprietorship are Individual Entrepreneurship, Sole Trader, and Individual Proprietorship. The sole owner of the business cannot share the ownership with any other person, but he/she can appoint employees and take help from other people. Besides, only the owner can invest money in the business, and can raise the capital through loans from other sources of finance. Definition of Sole Proprietorship The sole proprietorship is the form of business organization, at the head of which stands an individual as one who is responsible, who directs its operations and who alone runs the risk of failure. -L.H. Haney A sole proprietorship is a person who carries on business exclusively by and for himself. He is not only the owner of the capital of the undertaking, but is usually the organizer and manager and takes all the profits or responsibility for losses. -James Stephenson Features of Sole Proprietorship The features of Sole Proprietorship are as follows: 1. Formation and Closure of business This type of business is easy to form and close. It requires a license or certificate to run a business. A person can start a sole proprietorship by opening a pharmacy business. To close the business, the proprietor is not required to give any notice to creditors. 2. Unlimited Liability In a sole proprietorship, the owner has unlimited liability, i.e., the proprietor is personally responsible to pay all the debts. In other words, if in the business, funds are not sufficient to pay the debt, then the personal assets of the owner may be used to pay off all the liabilities. 3. No separate legal entity A sole proprietorship business has no separate legal entity from that of its owners, i.e. in partnership and company. In the eyes of law, there is no distinction between the owner and his business. It means that the owner of the business bears the responsibility for all the business activities. 4. No sharing of profit or loss There is no sharing of profit or loss, like partnership and company because the business is solely run by a single individual, who provides capital in the business, directs its operation and who alone runs the risk of failure. 5. Risk bearer All the risk of the firm is borne by a single owner only. The single individual is the sole beneficiary of all the profits. Likewise, if losses occur in the business, then he alone has to bear all the risks. 6. Control The sole proprietor is the only owner of the firm and has full control over its business. All the rights, responsibilities, and decisions are in the hands of the owner himself. No one can interfere in the business without the permission of the owner. 7. Lack of Business Continuity Since business and owner are one and exist together, so in case of death, imprisonment, insolvency, or bankruptcy of the sole owner, the business can not be continued and has to shut down. However, there is an exception to this feature, i.e., if there is a beneficiary, then a successor or nominee or legal heir of the owner can run the business. 8. Single Ownership This form of business organization is owned wholly by a single person. He/she provides capital in the business either from his own wealth or from borrowed capital. Merits and Demerits of Sole Proprietorship Merits: 1. Easy to form and close 2. No separate legal entity 3. No sharing of profit or loss 4. No risk of failure 5. No need to give notice to creditors 6. No need to give notice to creditors 7. No need to give notice to creditors 8. No need to give notice to creditors 9. No need to give notice to creditors 10. No need to give notice to creditors 11. No need to give notice to creditors 12. No need to give notice to creditors 13. No need to give notice to creditors 14. No need to give notice to creditors 15. No need to give notice to creditors 16. No need to give notice to creditors 17. No need to give notice to creditors 18. No need to give notice to creditors 19. No need to give notice to creditors 20. No need to give notice to creditors 21. No need to give notice to creditors 22. No need to give notice to creditors 23. No need to give notice to creditors 24. No need to give notice to creditors 25. No need to give notice to creditors 26. No need to give notice to creditors 27. No need to give notice to creditors 28. No need to give notice to creditors 29. No need to give notice to creditors 30. No need to give notice to creditors 31. No need to give notice to creditors 32. No need to give notice to creditors 33. No need to give notice to creditors 34. No need to give notice to creditors 35. No need to give notice to creditors 36. No need to give notice to creditors 37. No need to give notice to creditors 38. No need to give notice to creditors 39. No need to give notice to creditors 40. No need to give notice to creditors 41. No need to give notice to creditors 42. No need to give notice to creditors 43. No need to give notice to creditors 44. No need to give notice to creditors 45. No need to give notice to creditors 46. No need to give notice to creditors 47. No need to give notice to creditors 48. No need to give notice to creditors 49. No need to give notice to creditors 50. No need to give notice to creditors 51. No need to give notice to creditors 52. No need to give notice to creditors 53. No need to give notice to creditors 54. No need to give notice to creditors 55. No need to give notice to creditors 56. No need to give notice to creditors 57. No need to give notice to creditors 58. No need to give notice to creditors 59. No need to give notice to creditors 60. No need to give notice to creditors 61. No need to give notice to creditors 62. No need to give notice to creditors 63. No need to give notice to creditors 64. No need to give notice to creditors 65. No need to give notice to creditors 66. No need to give notice to creditors 67. No need to give notice to creditors 68. No need to give notice to creditors 69. No need to give notice to creditors 70. No need to give notice to creditors 71. No need to give notice to creditors 72. No need to give notice to creditors 73. No need to give notice to creditors 74. No need to give notice to creditors 75. No need to give notice to creditors 76. No need to give notice to creditors 77. No need to give notice to creditors 78. No need to give notice to creditors 79. No need to give notice to creditors 80. No need to give notice to creditors 81. No need to give notice to creditors 82. No need to give notice to creditors 83. No need to give notice to creditors 84. No need to give notice to creditors 85. No need to give notice to creditors 86. No need to give notice to creditors 87. No need to give notice to creditors 88. No need to give notice to creditors 89. No need to give notice to creditors 90. No need to give notice to creditors 91. No need to give notice to creditors 92. No need to give notice to creditors 93. No need to give notice to creditors 94. No need to give notice to creditors 95. No need to give notice to creditors 96. No need to give notice to creditors 97. No need to give notice to creditors 98. No need to give notice to creditors 99. No need to give notice to creditors 100. No need to give notice to creditors 101. No need to give notice to creditors 102. No need to give notice to creditors 103. No need to give notice to creditors 104. No need to give notice to creditors 105. No need to give notice to creditors 106. No need to give notice to creditors 107. No need to give notice to creditors 108. No need to give notice to creditors 109. No need to give notice to creditors 110. No need to give notice to creditors 111. No need to give notice to creditors 112. No need to give notice to creditors 113. No need to give notice to creditors 114. No need to give notice to creditors 115. No need to give notice to creditors 116. No need to give notice to creditors 117. No need to give notice to creditors 118. No need to give notice to creditors 119. No need to give notice to creditors 120. No need to give notice to creditors 121. No need to give notice to creditors 122. No need to give notice to creditors 123. No need to give notice to creditors 124. No need to give notice to creditors 125. No need to give notice to creditors 126. No need to give notice to creditors 127. No need to give notice to creditors 128. No need to give notice to creditors 129. No need to give notice to creditors 130. No need to give notice to creditors 131. No need to give notice to creditors 132. No need to give notice to creditors 133. No need to give notice to creditors 134. No need to give notice to creditors 135. No need to give notice to creditors 136. No need to give notice to creditors 137. No need to give notice to creditors 138. No need to give notice to creditors 139. No need to give notice to creditors 140. No need to give notice to creditors 141. No need to give notice to creditors 142. No need to give notice to creditors 143. No need to give notice to creditors 144. No need to give notice to creditors 145. No need to give notice to creditors 146. No need to give notice to creditors 147. No need to give notice to creditors 148. No need to give notice to creditors 149. No need to give notice to creditors 150. No need to give notice to creditors 151. No need to give notice to creditors 152. No need to give notice to creditors 153. No need to give notice to creditors 154. No need to give notice to creditors 155. No need to give notice to creditors 156. No need to give notice to creditors 157. No need to give notice to creditors 158. No need to give notice to creditors 159. No need to give notice to creditors 160. No need to give notice to creditors 161. No need to give notice to creditors 162. No need to give notice to creditors 163. No need to give notice to creditors 164. No need to give notice to creditors 165. No need to give notice to creditors 166. No need to give notice to creditors 167. No need to give notice to creditors 168. No need to give notice to creditors 169. No need to give notice to creditors 170. No need to give notice to creditors 171. No need to give notice to creditors 172. No need to give notice to creditors 173. No need to give notice to creditors 174. No need to give notice to creditors 175. No need to give notice to creditors 176. No need to give notice to creditors 177. No need to give notice to creditors 178. No need to give notice to creditors 179. No need to give notice to creditors 180. No need to give notice to creditors 181. No need to give notice to creditors 182. No need to give notice to creditors 183. No need to give notice to creditors 184. No need to give notice to creditors 185. No need to give notice to creditors 186. No need to give notice to creditors 187. No need to give notice to creditors 188. No need to give notice to creditors 189. No need to give notice to creditors 190. No need to give notice to creditors 191. No need to give notice to creditors 192. No need to give notice to creditors 193. No need to give notice to creditors 194. No need to give notice to creditors 195. No need to give notice to creditors 196. No need to give notice to creditors 197. No need to give notice to creditors 198. No need to give notice to creditors 199. No need to give notice to creditors 200. No need to give notice to creditors 201. No need to give notice to creditors 202. No need to give notice to creditors 203. No need to give notice to creditors 204. No need to give notice to creditors 205. No need to give notice to creditors 206. No need to give notice to creditors 207. No need to give notice to creditors 208. No need to give notice to creditors 209. No need to give notice to creditors 210. No need to give notice to creditors 211. No need to give notice to creditors 212. No need to give notice to creditors 213. No need to give notice to creditors 214. No need to give notice to creditors 215. No need to give notice to creditors 216. No need to give notice to creditors 217. No need to give notice to creditors 218. No need to give notice to creditors 219. No need to give notice to creditors 220. No need to give notice to creditors 221. No need to give notice to creditors 222. No need to give notice to creditors 223. No need to give notice to creditors 224. No need to give notice to creditors 225. No need to give notice to creditors 226. No need to give notice to creditors 227. No need to give notice to creditors 228. No need to give notice to creditors 229. No need to give notice to creditors 230. No need to give notice to creditors 231. No need to give notice to creditors 232. No need to give notice to creditors 233. No need to give notice to creditors 234. No need to give notice to creditors 235. No need to give notice to creditors 236. No need to give notice to creditors 237. No need to give notice to creditors 238. No need to give notice to creditors 239. No need to give notice to creditors 240. No need to give notice to creditors 241. No need to give notice to creditors 242. No need to give notice to creditors 243. No need to give notice to creditors 244. No need to give notice to creditors 245. No need to give notice to creditors 246. No need to give notice to creditors 247. No need to give notice to creditors 248. No need to give notice to creditors 249. No need to give notice to creditors 250. No need to give notice to creditors 251. No need to give notice to creditors 252. No need to give notice to creditors 253. No need to give notice to creditors 254. No need to give notice to creditors 255. No need to give notice to creditors 256. No need to give notice to creditors 257. No need to give notice to creditors 258. No need to give notice to creditors 259. No need to give notice to creditors 260. No need to give notice to creditors 261. No need to give notice to creditors 262. No need to give notice to creditors 263. No need to give notice to creditors 264. No need to give notice to creditors 265. No need to give notice to creditors 266. No need to give notice to creditors 267. No need to give notice to creditors 268. No need to give notice to creditors 269. No need to give notice to creditors 270. No need to give notice to creditors 271. No need to give notice to creditors 272. No need to give notice to creditors 273. No need to give notice to creditors 274. No need to give notice to creditors 275. No need to give notice to creditors 276. No need to give notice to creditors 277. No need to give notice to creditors 278. No need to give notice to creditors 279. No need to give notice to creditors 280. No need to give notice to creditors 281. No need to give notice to creditors 282. No need to give notice to creditors 283. No

