

Semester ‘Fall 2011’

“Introduction to Business (MGT211)”

Assignment No. 01

Marks: 20

Moaz Restaurant in Faisalabad offered variety of food items in breakfast, lunch and dinner and was especially famous for Hi-Tea packages. In the beginning, it was owned and operated by Mr. Bilal who was earning good profit from the restaurant but after few years of successful business he started facing health issues which forced him to sell the entire business to one of his relative Mr. Ali.

Although Mr. Ali had capability as well as expertise to manage restaurant business but competition was continuously increasing due to opening of internationally known brands in the city. These restaurants had launched extensive marketing campaigns to increase their sale/profit by focusing good relations with their customers and suppliers.

Mr. Ali soon realized that he should spend reasonable amount of capital as well as time on promotional activities in order to survive and there was also a dire need to establish good relations with customers, suppliers and other clients. But it was difficult for him to manage all these activities alone. He shared the problem with his friend Mr. Yasir, who agreed to help him in managing the business affairs on terms & conditions of 50% profit/loss sharing.

Question no 1

(04 Marks)

Keeping in view three forms of business, you are required to identify what was the form of business when it was initially run by Mr. Bilal? Support your answer with logical reasons.

Question no 2

(10 Marks)

What was the form of business when Mr. Yasir joined the business with Mr. Ali? Which benefits can be obtained from this type of ownership?

Question no 3

(06 Marks)

Suppose the business has total assets worth Rs. 450,000/- and total liabilities of Rs. 800,000/-. Mr. Ali has the personal property of Rs. 200,000/- and Mr. Yasir has the personal property of Rs. 125,000/-. In case the business is liquidated and declared as bankrupt, up to what extent Mr. Ali & Mr. Yasir will pay from their personal property to satisfy the creditors' claim? You are also required to discuss the possible treatments if any of them is unable to pay from personal property.

Important Tips

1. **This Assignment can be best attempted from the knowledge acquired after watching video lecture no. 01 to lecture no. 09 and reading handouts as well as recommended text book).**
2. **Video lectures can be downloaded for free from www.youtube.com/vu**

Schedule

Opening Date	21 October
Closing Date and Time	28 October, 2011 At 11:59 P.M. (Mid-Night)

Note: *24 Hrs extra / grace period* after the above mentioned due date is usually available to overcome uploading difficulties which may be faced by the students on last date. This extra time should only be used to meet the emergencies and above mentioned due dates should always be treated as final to avoid any inconvenience.

Important Instructions:

Please read the following instructions carefully before attempting the assignment solution.

Deadline:

- **Make sure that you upload the solution file before the due date. No assignment will be accepted through e-mail once the solution has been uploaded by the instructor.**

Formatting guidelines:

- **Use the font style "Times New Roman" and font size "12".**
- **It is advised to compose your document in MS-Word 2003.**
- **Use black and blue font colors only.**

Solution guidelines:

- **Give the answer according to question, there will be negative marking for irrelevant material.**
- **For acquiring the relevant knowledge don't rely only on handouts but watch the video lectures and use other reference books also.**
- **Provide all calculation, only answer figure will not be appreciated.**

Rules for Marking

Please note that your assignment will not be graded or graded as Zero (0) if:

- **It has been submitted after due date**
- **The file you uploaded does not open or is corrupt**
- **It is in any format other than .doc (MS. Word)**
- **It is cheated or copied from other students, internet, books, journals etc...**
- **Please install adobe reader to view the assignment**