

LEGAL STUDIES Code No. 074
Marking Scheme
Class – XII (2025-26)

S.No.	Question	Marks
	SECTION A	
Ans. 1	b) The court extended the concept of locus standi in public interest.	1
Ans. 2	c) The mortgage contract is void and Mihir will not be able to recover his money advanced to Bhavya.	1
Ans. 3	b) A (ii); B (iv); C (i); D (iii)	1
Ans. 4	d) Consensus Ad Idem	1
Ans. 5	b) Lease	1
Ans. 6	c) A is true, R is false	1
Ans. 7	b) Both (A) and (R) are true but R is not the correct explanation of A	1
Ans. 8	a) Chaman forfeits the gift of rupees ten lakhs due to the doctrine of election.	1
Ans. 9	b) Native ADR techniques in India existed even before the establishment of English-style courts during the British colonial period.	1
Ans. 10	b) Mutation	1
Ans. 11	b) Right of Integrity	1
Ans. 12	c) Providing opportunities for education to children by their parents between the age of six and fourteen years.	1
Ans. 13	c) She will have to wait before the Central Administrative Tribunal for disposal of her case.	1
Ans. 14	d) Restoration	1
Ans. 15	b) Judge advocate general's (jag) department	1

	iii. A dying declaration which has been properly recorded by a competent magistrate, in the form of questions and answers, and as far as practicable in the words of the maker of the declaration is reliable.	
Ans. 23A	The primary functions of the Lokpal and Lokayuktas under the Lokpal and Lokayukta Act, 2013 are: Lokpal: Investigates allegations of corruption against public servants, including the Prime Minister, Members of Parliament, Group A, B, C, and D officials, and officials of public sector undertakings. Lokayuktas: Perform a similar role at the state level, addressing complaints of corruption against state public servants. Both aim to ensure accountability and transparency in governance.	1+1
	OR	
23B	i. Lok Adalats ensure speedy and cost-effective dispute resolution by providing an informal setting where disputes are resolved amicably through mutual agreement. ii. They eliminate the need for lengthy court procedures and litigation costs, as the awards passed by Lok Adalats are binding, final, and have the same legal status as a court decree.	1+1
Ans. 24	NCPCR- National Commission for Protection of Child Rights NCPCR enquires into complaints raised either by children themselves or by a concerned person on their behalf. It can investigate complaints and also take suo moto notice of matters related to: 1. Deprivation and violation of child rights. 2. Non implementation of laws providing for protection and development of children. 3. Non compliance of policy decisions, guidelines or instructions aimed at mitigating hardships to and ensuring welfare of the children. (mention any two)	1+ 0.5+ 0.5
Ans. 25A	(1) consistent and general international practice by states- it is the widespread repetition of similar international acts over time by states (State practice)	1+1

	and (2) a subjective acceptance of the practice as law by the international community - the requirement that the acts must occur out of a sense of obligation (opinion juris)	
	OR	
25B	I. Article 59 of the Statute of the ICJ implies that the decisions of the Court are not binding on parties that are not directly involved in a specific case. II. The binding effect is limited only to the disputing parties and applies solely to the particular case in question.	1+1
Ans. 26	Merely talking about human rights from an elitist platform is not sufficient. In order to do social justice for them and to make human rights meaningful, legal aid becomes essential. Human Rights which cannot be enforced due to poverty are meaningless and worthless. A right to access to justice is sine-qua-non for social justice. Indeed, poverty is an obstacle in the way of getting justice and due to this reason, the poor become a sufferer of social injustice. Legal aid indeed, is an integral part of human rights and it requires urgent considerations, otherwise, there is an apprehension that someday the patience of poor persons may be exhausted and that will endanger world peace.	0.5*4
Ans.27	The Collegium System in India refers to the mechanism through which appointments and transfers of judges to the higher judiciary (i.e., the Supreme Court and High Courts) are made. Primary Role: The Collegium recommends names for the appointment and transfer of judges in the higher judiciary. Composition: • For the Supreme Court, the Collegium consists of: ◦ The Chief Justice of India (CJI) ◦ Four senior-most judges of the Supreme Court • For the High Court, it includes: ◦ The Chief Justice of the High Court ◦ Two senior-most judges of that High Court	1+ 0.5+ 0.5

Ans.28	• The company is using a trade secret. • Key difference: A trade secret remains protected as long as it is kept confidential, whereas a patent requires public disclosure and has a limited protection period (usually 20 years).	1+1
	SECTION C	
Ans. 29A	Increasing the retirement age of judges will have significant benefits. • Senior serving judges will bring with them years of experience. It will ensure the continued presence of a strong talent pool of experienced judges. • New judges can be appointed without displacing existing judges. • It will address the problem of mounting arrears. It will be a buffer against impending litigation explosion. • It will render post-retirement assignments unattractive and, as a consequence, strengthen the rule of law and the independence of the judiciary, both of which are crucial to sustain democracy.	3
	OR	
29B	i. Centre-State Relations Judicial review has also been used in matters concerning the legislative competence with regards to the Centre-State relations. Article 246 of the Constitution provides that the Parliament has exclusive powers to make laws with respect to matters itemized in the 'Union List' (List 1 of the Seventh Schedule of the Constitution). It provides further that both the Parliament and the Legislature of any State have powers to make laws with respect to matters enumerated in the 'Concurrent List' (List III of the Seventh Schedule of the Constitution). With respect to the States, it provides that the Legislature of any State has exclusive power to make laws with respect to matters listed in the 'State List' (List II of the Seventh Schedule). This Article delivers a clear division of law-making powers (division of powers) as well as room for an intersection between the Centre and the State. Judicial review helps demarcate the legislative competencies and ensures that Centre does not exert its supremacy over the state matters and likewise states do not encroach upon matters within the ambit of the Centre.	3

	ii. Fairness in Executive Actions In matters of executive or administrative actions, the judicial review practice of courts has often employed doctrines like ‘principles of natural justice’, ‘reasonableness’, ‘proportionality’, and ‘legitimate expectation’; There is a Latin phrase <i>audialterampartem</i>, which means ‘listen to the other side’. This phrase is an established principle in the Indian law practice and was applied by the Supreme Court in several cases. In the landmark decision of <i>Maneka Gandhi v. Union of India</i>, the court adopted the principle of post-decision-hearing, in situations of urgency where a prior hearing is not feasible, and recognized that a chance of hearing cannot be debarred completely.							
Ans. 30	(I) International Law is a framework of rules and principles binding the relations between states, governing their conduct amongst themselves and other international entities that are legally recognized and between citizens of other nations. It is a system of treaties and agreements between nations that governs how nations interact with other nations, citizens of other nations, and businesses of other nations. (II) Public International Law Private International Law	3						
Ans. 31A	The Permanent Lok Adalats were established under Legal Services Authorities (Amendment) Act, 2002 to settle disputes concerning public utility services at pre-litigation stage. The Permanent Lok Adalat shall, during conduct of conciliation proceedings assist the parties in their attempt to reach an amicable settlement of the dispute in an independent and impartial manner. In case the parties reach at an agreement on the settlement of the dispute, they shall sign the settlement agreement and the Permanent Lok Adalat shall pass an award in terms thereof. Where the parties fail to reach at an agreement, the Permanent Lok Adalat shall decide the dispute. <table><tr><td>Lok Adalat</td><td>Permanent Lok Adalat</td></tr><tr><td>Temporary bodies established under the Act of 1987.</td><td>Permanent bodies established under the Act of 2002</td></tr><tr><td>Deals with a wide range of civil and criminal matters.</td><td>Focuses on public utility services.</td></tr></table>	Lok Adalat	Permanent Lok Adalat	Temporary bodies established under the Act of 1987.	Permanent bodies established under the Act of 2002	Deals with a wide range of civil and criminal matters.	Focuses on public utility services.	3
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	OR	
31B	The Legal Services Authorities Act, 1987 was enacted to fulfill the mandate of Article 39A of the Indian Constitution, which directs the State to ensure that justice is not denied to any citizen due to economic or other disabilities. The Legal Services Authorities Act was enacted to give a statutory base to legal aid programs throughout the country on a uniform pattern. I. Objectives for its enactment: 1. Article 39A emphasizes free legal aid and access to justice for all. 2. Articles 14 and 21 of the Constitution uphold equality before the law and the right to life and personal liberty, which includes access to justice. 3. Economic disparities and lack of legal awareness among marginalized communities created barriers to accessing the judicial system. II. Promote access to justice: i. provide free and competent legal services to the weaker sections of the society to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities, and ii. to organize lok adalats to secure that the operation of the legal system promotes justice on a basis of equal opportunity	3
Ans. 32	This is an example of a contingent contract where the performance is dependent on an uncertain future event. Because the condition (Neha securing the loan) did not occur, the contract does not bind Rohit to sell the car. Contingent contracts are valid. Amber cannot legally receive or sell the smartphones, rendering the contract unenforceable. The law prohibits the importation of these goods, causing the contract to become void. The contract becomes void if its performance is rendered impossible due to a change in law or government policy, making it unenforceable.	3
Ans. 33A	1. Foreign Arbitration - The dispute involves an Indian company and a supplier based in Singapore, with arbitration governed by the rules of the Singapore International Arbitration Centre (SIAC). This constitutes Foreign arbitration, as the arbitration is conducted under the auspices of a foreign institution (SIAC), and the arbitration process follows its rules, which may differ from Indian arbitration norms.	3

	2. International Commercial Arbitration - In this case, the dispute between two multinational companies (one in India and the other in the UK) is resolved through international commercial arbitration, with the International Chamber of Commerce (ICC) administering the arbitration. This is an example of international commercial arbitration because the dispute involves commercial interests between parties from different countries, and the ICC is an international body administering the arbitration process.									
	OR									
Ans. 33B	1: Facilitative Mediation In this scenario, a neutral mediator helps the parties (Mr. X and Mr. Y) communicate effectively and understand each other's perspectives. Facilitative mediation focuses on improving communication and guiding the parties towards a mutually agreeable solution without imposing a decision. It is suitable here as the partners are willing to preserve their relationship and need assistance in resolving their conflict through dialogue. 2: Transformative Mediation In this case, the mediator focuses on transforming the relationships between the family members, addressing the emotional aspects of the dispute and fostering mutual understanding. Transformative mediation is particularly suited for deeply rooted conflicts, as it emphasizes empowering the parties and improving their interaction to resolve issues at a personal and emotional level.	3								
Ans. 34	(i) Image A- Assault Image B- Battery (ii) <table><tr><th>S.No</th><th>Basis</th><th>Assault</th><th>Battery</th></tr><tr><td>1.</td><td>Meaning</td><td>The tort of assault occurs when the defendant intends to cause in the claimant's mind a reasonable apprehension (feeling of anxiety or fear) of an imminent harmful or offensive touching to the claimant;</td><td>The tort of battery occurs when the defendant shows an intentional and direct application of physical force of the claimant with the intent to cause harm or offense.</td></tr></table>	S.No	Basis	Assault	Battery	1.	Meaning	The tort of assault occurs when the defendant intends to cause in the claimant's mind a reasonable apprehension (feeling of anxiety or fear) of an imminent harmful or offensive touching to the claimant;	The tort of battery occurs when the defendant shows an intentional and direct application of physical force of the claimant with the intent to cause harm or offense.	3
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	<table><tr><td>2.</td><td>Require ment of Contact</td><td>Does not require physical contact; it is based on the victim's fear of immediate harm.</td><td>Requires actual physical contact with the victim.</td></tr><tr><td>3</td><td>Example</td><td>Hitting, slapping, or pushing someone.</td><td>Threatening to punch someone or raising a fist in a threatening manner.</td></tr></table>	2.	Require ment of Contact	Does not require physical contact; it is based on the victim's fear of immediate harm.	Requires actual physical contact with the victim.	3	Example	Hitting, slapping, or pushing someone.	Threatening to punch someone or raising a fist in a threatening manner.	
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Ans.35	Legal aid can be denied or withdrawn in the following circumstances: 1. Legal aid can be denied if a person is found ineligible under Section 12 of the Legal Services Authorities Act, 1987; 2. Legal aid can be withdrawn if the aided person who applied under the income category is found to possess sufficient means; 3. Legal aid can be withdrawn where the aided person obtained legal services by misrepresentation or fraud; 4. Legal aid can be withdrawn where the aided person does not cooperate with the Legal Services Authority/Committee or with the legal services advocate; 5. Legal aid can be withdrawn where the person engages a legal practitioner other than the one assigned by the Legal Services Authority/Committee; 6. Legal aid can be withdrawn in the event of death of the aided person except in the case of civil proceedings where the right or liability survives; 7. Legal aid can be withdrawn where the application for legal service or the matter in question is found to be an abuse of the process of law or of legal services. (Mention any three)	3								
Ans. 36 A.	Three key features of the National Legal Services Authority (Free and Competent Legal Services) Regulations, 2010 regarding the involvement of lawyers for legal service are: 1. Selection of Panel Lawyers: Legal services institutions select panel lawyers with a minimum of three years of experience, based on their competence, integrity, and suitability. Separate panels are maintained for different types of cases.	3								

	2. Restrictions on Panel Lawyers regarding payment of fees: Panel lawyers are paid fees as per State regulations after the completion of proceedings. Panel lawyers are not allowed to accept any fee or valuable consideration from the beneficiaries of legal aid. They must perform their duties diligently and may be removed for non-performance or misconduct. 3. Involvement of Senior Advocates: Senior advocates may be engaged in special cases involving serious threats to life and liberty or matters of great public importance, if approved by the Chairman of the legal services institution. Components of Free Legal Services: • Payment of court and process fees and all other charges payable or incurred in connection with any legal proceedings. • Provision of service of lawyers in legal proceedings. • Obtaining and supply of certified copies of orders and other documents in legal proceedings • Provision of aid and advice to the beneficiaries to access the benefits under the welfare statutes and schemes framed by the Central Government or the State Government and to ensure access to justice in any other manner. (Mention any three)	
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36 B	Components of Free Legal Services: • Payment of court and process fees and all other charges payable or incurred in connection with any legal proceedings. • Provision of service of lawyers in legal proceedings. • Obtaining and supply of certified copies of orders and other documents in legal proceedings • Provision of aid and advice to the beneficiaries to access the benefits under the welfare statutes and schemes framed by the Central Government or the State Government and to ensure access to justice in any other manner. (Mention any three)	3

	SECTION D	
Ans. 37A	a. Litigation: Graduates may practice as an advocate in a court of law. This can be achieved by working under experienced advocates or being attached to litigation departments of law firms or companies in order to practice in the Courts of India. b. Law Firm Practice: Law firms vary in size and practice areas. Law firms may range from boutique law firms specializing in specific areas of law (such as Intellectual Property Rights and Tax law), to mid- sized law firms as well as large law firms which are full service law firms with different practice groups such as general corporate, mergers and acquisitions, employment law, taxation, international trade, insurance, intellectual property, and project finance and infrastructure. Corporate lawyers would also advise on regulatory issues and legal compliance. Centres for Legal Process Outsourcing (LPOs) also have a lot of transnational transactional work. c. Corporate Sector: Large corporations often have an in-house legal practice. An inhouse counsel will give legal advice to the company, have expertise in the business of the company and be responsible for ensuring that the business of the company is being run in compliance with applicable laws and when required will bring in external lawyers. Several organisations such as commercial banks, multinational companies, investment firms, insurance companies, e-commerce ventures, media houses are hiring law graduates for managing their legal departments. d. Public Policy: Lawyers have an important role in formulating and advising on public policy. Several organizations employ law graduates for policy making and have institutionalized fellowships where law graduates can be Research Assistants. Institutions such as Competition Commission of India and Securities and Exchange Board of India also employ law graduates for policy making in the respective fields. Law firms have established Government Policy Departments where they employ law graduates for policy research. e. Legal Research and Academia: Graduates may attach themselves with Research Centres and think tanks. Law graduates may take up teaching and research as a profession. At least a post graduate degree in Law or	5

	related disciplines is expected to build a career in academics. Universities employ postgraduates in law as lecturers/Assistant Professors at the beginning of their careers. Short term positions and opportunities as Visiting Professors/Adjunct professors are also available in academia. f. Non-Governmental Organizations: Not-for-profit organizations, especially organizations with a social justice orientation have positions for law graduates. These range from small grassroot level organizations to large well-funded organizations. They may be general in nature providing free legal aid, legal education and legal awareness to more specialist organizations involved in areas such as women and child rights, environmental law, employment laws, consumer rights and public health. Government Institutions:, Government departments, statutory authorities, public sector undertaking and regulatory bodies also provide interesting opportunities to lawyers. Graduates may opt for jobs in the government sector in institutions such as National Human Rights Commission, Law Commission of India, and National Commission for Women etc. g. Judicial Services/ clerkships: The court system provides several avenues to law graduates. The higher judiciary, that is judges of the High Courts and Supreme Courts have law clerks cum research assistants who assists a judge in researching for cases, maintaining paperwork etc. Judicial clerks often sit in court hearings with the judges. Graduates may write the All India Judicial Services Examination to avail of positions in the Indian Judiciary. Qualifying candidates start in subordinate courts and may then progress to hold offices in the High Courts and even the Supreme Court of India. h. Judge Advocate General (JAG) Officer: The Judge Advocate General's (JAG) Department is the legal branch of the Indian Army. It deals with military related disciplinary cases and litigation and assists in providing legal assistance to the army in human rights matters and the rule of law among other things. The service rendered in the JAG's Department are considered to be Judicial service as per the regulations for the Indian Army.	
	OR	

37B	Legal education varies significantly across India, the UK, and the USA in terms of structure, curriculum, and professional requirements. <u>India:</u> Structure: Legal education in India typically follows a five-year integrated undergraduate program (BA LLB), or a three-year LLB program after completing an undergraduate degree. Both are followed by a period of practical training or internship. Curriculum: The curriculum is regulated by the Bar Council of India (BCI) and includes subjects such as Constitutional Law, Criminal Law, Civil Procedure, Family Law, and Environmental Law. The focus is on theoretical understanding with limited practical exposure during the academic phase. Professional Requirements: After completing the degree, graduates must clear the All India Bar Examination (AIBE) to practice law. The legal profession in India is regulated by the Bar Council of India. <u>United Kingdom:</u> Structure: In the UK, legal education consists of a three-year undergraduate law degree (LLB), followed by a one-year vocational course known as the Bar Professional Training Course (BPTC) for barristers, or the Legal Practice Course (LPC) for solicitors. Alternatively, aspiring lawyers can take a non-law undergraduate degree and then complete a Graduate Diploma in Law (GDL). Curriculum: The curriculum is heavily focused on both theoretical foundations and practical application, with a distinction between academic study and vocational training. Subjects like Contract Law, Tort Law, and Criminal Law are core, while students also specialize in their chosen area during vocational courses. Professional Requirements: After the vocational course, candidates must complete a period of pupillage (for barristers) or a training contract (for solicitors) before qualifying as a barrister or solicitor. The profession is regulated by professional bodies like the Bar Council of England and Wales and the Solicitors Regulation Authority. <u>United States of America (US):</u> Structure: Legal education in the US follows a unique path. After completing a four-year undergraduate degree, students attend a three-year law school (Juris Doctor or JD program). Admission to law school requires passing the Law School Admission Test (LSAT).	5
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	Curriculum: The JD curriculum includes foundational subjects like Constitutional Law, Contracts, Torts, and Civil Procedure, along with electives in areas like Corporate Law, Environmental Law, and Intellectual Property. The curriculum emphasizes practical skills through clinics, externships, and moot court activities. Professional Requirements: After earning a JD, graduates must pass the bar exam in the state where they wish to practice. Each state has its own bar exam, and passing it qualifies the graduate to practice law in that jurisdiction. The legal profession is regulated by state bar associations. While legal education in India, the UK, and the USA shares common goals of preparing students to practice law, the pathways, professional requirements, and practical training vary.	
Ans.38	a. Article 22 -Protection against arrest and detention Article 22 provides safeguards against arrest and detention in following ways: - No one can be detained in custody without providing grounds for arrest. - The arrested and detained person has a right to consult and to be defended by a legal practitioner of his or her choice. - A person who is arrested and detained in custody should be produced before the nearest magistrate within a period of twenty-four hours. The travel time is not counted towards the twenty-four hours time frame. - No such person can be detained in custody beyond twenty-four hours without the authority of a magistrate. b. The constitutional remedy that is available is that of Writ jurisdiction.	1+4
Ans. 39A	In fault-based liability, the legal right of the claimant is violated due to a mistake of the defendant, and the defendant is liable to pay compensation. However, there are certain situations where the defendant is liable to pay compensation even if the violation of the claimant's right is not done by the defendant, but there is a violation of the claimant's right. This is known as no fault liability. In short, liability arising without any fault is a no-fault liability. It covers two kinds of liability: • Strict Liability • Absolute Liability	3+2

	The liability of Jal Waterworks Company is Absolute Liability under Tort Law, even if there is no negligence here by the company, for damaging the property of Tek Chand in light of the M.C. Mehta Case. In India, the principle of Absolute Liability was introduced by the Supreme Court in the aftermath of the two instances of gas leaks from factories killing thousands and injuring lakhs. If an enterprise, which is engaged in a hazardous or inherently dangerous industry, which poses a potential threat to the health and safety of the persons working in the factory and residing in the surrounding areas owes an absolute and non-delegable duty to the community to ensure that no harm results to any one on account of hazardous or inherently dangerous activity in which it is engaged must be conducted with the highest standards of safety and if any harm is done on account of such activity, the enterprise must be absolutely liable to compensate for such harm and it should be no answer to the enterprise to say that it had taken all reasonable care and that the harm occurred without any negligence on its part.” The industry cannot plead that all safety measures were taken care of by them and that there was no negligence on their part. They will not be allowed any exceptions neither can they take up any defence like that of ‘Act of God’ or ‘Act of Stranger’. The basic principles of absolute liability as emerged above are: 1. Enterprise (commercial objective) 2. Hazardous or inherently dangerous activity 3. Escape is not necessary	
	Or	
39B	(I) Negligence is defined as the breach of the duty to take care which results in damages. Basically, it can be said that the wrong-doer or the defendant has been careless in a way that harms the interest of the victim or the claimant. (II) Yes, Rahul can move the court under Tort of negligence against City Point Plaza in light of the decided case Donoghue v Stevenson. Here the negligence on part of the manufacturer of the soft drink resulted in the illness or injury to the claimant.	2+3

	Generally, in order to argue successfully that the defendant has been negligent, the victim or the claimant must establish three elements against the defendant in a tort of negligence case 1) the defendant owes a duty of care to the victim; 2) there has been a breach of duty of care on part of the defendant; and 3) the breach of the duty to care resulted in the harm suffered by the claimant. Let us consider these elements here. 1) Duty of Care In Donoghue v Stevenson, a case decided in England, the plaintiff Donoghue drank a soft drink (ginger beer) manufactured by the defendant Stevenson. The drink had a decomposed snail in the bottle that made the claimant ill. The court held that the manufacturer owed duty of care to those who are 'reasonably foreseeable' to be affected by the product. CityPoint Plaza, owed a duty of care to its customers like Rahul who came to the mall. Thus, the duty of care is owed to those whom one can reasonably foresee as being potentially harmed. This principle is applicable to numerous fact situations. 2) Breach of Duty of Care Once the duty of care is proven the claimant then must establish that the duty of care was broken; i.e., the defendant was unsuccessful in fulfilling the duty of care in accordance with the standard of 'reasonableness'. In the case of Donoghue v Stevenson, the court held that the manufacturers of products owe a duty of reasonable care to the consumers who use the products. The CityPoint Plaza mall was negligent when an employee mopped the floor around the fountain but failed to place a "Wet Floor" sign. So there was a breach of Duty of Care. 3) Harm to the Claimant In the case of Donoghue v Stevenson, the negligence on part of the manufacturer of the soft drink resulted in the illness or injury to the claimant.
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	Rahul's injury required surgery, physical therapy, and a month-long leave from work, leading to financial losses and emotional distress. So there was harm to the claimant, Rahul.	
Ans.40	(i) Sole Proprietorship Sole proprietorship is a popular form of business organisation and is the most suitable form for small businesses, especially in their initial years of operation. Sole proprietorship refers to a form of business organisation which is owned, managed and controlled by an individual who is the recipient of all profits and bearer of all risks. The word “sole” implies “only”, and “proprietor” refers to “owner”. Hence, a sole proprietor is the one who is the only owner of a business. It is the easiest type of business to establish or take apart, due to a lack of government regulation. Ravi could lose his personal savings or assets. (ii) Limited Liability Partnership (LLP) A limited liability partnership (LLP) is a body corporate formed and incorporated under the Limited Liability Partnership Act, 2008. A Limited Liability Partnership (LLP) is a type of business that combines the benefits of limited liability with the flexibility of a partnership. It allows members to organize their internal structure based on an agreement. This type of business is suitable for entrepreneurs, professionals, and enterprises that provide services or engage in scientific and technical disciplines. It is also a good option for small enterprises and for investment by venture capital due to its flexible structure and operation. Vikram and Ayesha are not personally liable for the company’s debts beyond the amount they invested. They would only be liable for the company’s debts up to the amount they have invested, meaning their personal assets would not be at risk.	2.5+ 2.5