

Q.1.A) Select the correct answer from the possible choices given below and rewrite the statements: -

(05)

- 1) Trading on equity means use of _____ capital for financing a firm.
(a) Borrowed (b) Equity (c) Preference
- 2) The rate of interest payable on debenture is _____.
(a) uncertain (b) fixed (c) floating
- 3) No deposit can be repaid before _____ months.
(a) one (b) six (c) nine
- 4) _____ of securities eliminate paper work.
(a) Rematerialization (b) Physical transfer (c) Dematerialization
- 5) BSE was established in _____.
(a) 1875 (b) 1850 (c) 1975

Q.1.B) Match the correct pairs of words from Group A and Group B :-

(05)

Group A	Group B
1. Regret letter	a) Prospectus.
2. Private company	b) Promissory note.
3. Treasury Bill	c) Bearer document.
4. Share Warrant	d) Refund order.
5. Bonus share	e) Interest certificate.
	f) Minimum 6 months.
	g) Minimum 3months.
	h) Current account.
	i) Cannot accept public deposits.
	j) Free gift to the shareholder.

Q.1.C) Write a word or a term or a phrase which can substitute each of the following statements :-

(05)

- 1) A Bond on which no interest is paid but issued at a discount.
- 2) A certificate issued to debenture holder after allotment of debentures.
- 3) Instrument of payment of dividend.
- 4) Return on investment in Debentures.
- 5) A mix-up of various sources of funds in desired proportion.

Q.1.D) Find the odd one: -

(05)

- 1) Interest warrant, Dividend Warrant, Demat
- 2) Debenture, Public deposit, Retained earnings.
- 3) Final Dividend, Interim Dividend, Interest.
- 4) DRF, RRF, PPF.
- 5) Bonus Letter, Dividend Letter, Board of Directors.

Q.2) Explain the following terms/concepts :- (Any four)

(08)

- 1) Fixed Capital
- 2) Employee Stock Option Scheme
- 3) Minimum Subscription
- 4) Sweat Equity Shares
- 5) Stock Exchange
- 6) Preference share

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Q.3) Study the following case / situation and express your opinion: - (Any two)

(06)

- 1) Mr. Ram, an individual investor, invests his own funds in the securities. He depends on investment income and does not want to take any risk. He is interested in definite rate of income and safety of principal.
 - a) Name the type of security that Mr. Ram will opt for.
 - b) What does he receive as return on his investment?
 - c) The return on investment which he receives is fixed or fluctuating?
- 2) Nidhi Apparels Co. Ltd. is considering to declare Interim Dividend.
 - a) In how many days of declaration it should transfer the funds to Dividend Account?
 - b) In how many days it must pay it to shareholders?
 - c) In how many days of declaration it must transfer the funds to the Unpaid Dividend A/c?
- 3) The management of 'Maharashtra State Road Transport Corporation', wants to determine the size of working capital.
 - a) Being a public utility service provider, will it need less working capital or more?
 - b) Being a public utility service provider, will it need more Fixed Capital?
 - c) Give one example of public utility service that you come across on day-to-day basis.

Q.4) Distinguish between :- (Any three)

(12)

- 1) Shares and Debentures
- 2) Dematerialization and Rematerialization
- 3) Dividend and Interest
- 4) Money market and Capital market

Q.5) Answer in brief :- (Any two)

(08)

- 1) Explain the meaning and features of Equity Shares?
- 2) State any five factors affecting working capital requirements?
- 3) Explain any four types of money market instruments?

Q.6) Justify the following statements: - (Any two)

(08)

- 1) Preference shares do not carry any voting right.
- 2) The Board of Directors can refuse transfer of shares.
- 3) Depository system is very similar to the Banking system.
- 4) Financial markets acts as link between investor and borrower.

Q.7) Attempt the following (Letter Writing) :- (Any Two)

(10)

- 1) Write a letter to the shareholder regarding issue of Bonus Shares?
- 2) Draft a letter to the debenture holder informing him about redemption of debentures?
- 3) Draft a letter to the depositor informing him about payment of interest through interest warrant?

Q.8) Answer the following in detail :- (Any One)

(08)

- 1) What is debenture? Explain the different types of debenture?
- 2) Explain the procedure of allotment of shares?

▶▶▶▶▶ Good Luck ◀◀◀◀◀◀

SECRETARIAL PRACTICE

TIME: 1 HOUR

MARKS: 20

Q.1. Correct the underlined word and rewrite the following sentences :-

(4)

- 1) Equity shares carry dividend at fixed rate.
- 2) The person who purchases debentures of the company is called shareholder.
- 3) A Bear expects the prices of shares to rise in future.
- 4) Dividend is payable every year irrespective of profits made by company.

Q.2. Complete the sentences :-

(4)

- 1) Interim dividend is decided and declared by _____.
- 2) Bonus shares are issued as gift to _____.
- 3) The finance needed by business organisation is termed as _____.
- 4) To protect the interest of Debenture holders, a company appoints _____.

Q.3. Find the odd one :-

(3)

- 1) Bonus shares, Rights Shares, ESOS.
- 2) NSE, DP, BSE.
- 3) Depository, Interest, Dividend.

Q.4. Study the following case/situation and express your opinion :- (ANY THREE)

(9)

1. Gold Ltd. Company has recently come out with its public offer through FPO. Their issue was oversubscribed. The Board of Directors now wants to start the allotment process. Please advise the Board on:
 - a) Should the company set up allotment committee?
 - b) How should the company inform the applicants to whom the company is allotting shares?
 - c) Within what period should the company issue share certificate?

2. Brown Ltd. Company plans to raise ₹ 10 crores by issuing debentures. The Board of Directors have some queries. Please advise them on the following
 - a) Can the company issue unsecured debentures?
 - b) Can they issue irredeemable debentures?
 - c) As the company is offering debentures to its members, can such debentures have? normal voting rights?

3. Mr. Mehta holds 50 shares of Diamond Co. Ltd. in demat form. The company has declared a dividend of ₹ 5/- per share and Bonus of 1:1 to its shareholders.
- a) How will Mr. Mehta get his dividend?
 - b) Will he get Bonus share in Physical or demat?
 - c) Who is entitled to dividend and Bonus: Mr. Mehta or the depository? (NSDL in this case)
4. Mr. Satish is a speculator. He desires to take advantage of growing market for company's product and earn handsomely.
- a) According to you which type of share Mr. Satish will choose to invest?
 - b) What does he receive as return on investment?
 - c) State any one right which he will enjoy as a shareholder.

--- BEST OF LUCK ---