

Q.1.A) SELECT THE CORRECT ANSWER FROM THE POSSIBLE CHOICES GIVEN BELOW AND REWRITE THE STATEMENTS: -

(5 marks)

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

Q.1.B) MATCH THE CORRECT PAIRS OF WORDS FROM GROUP A AND GROUP B: - (5 marks)

"GROUP A"

"GROUP B"

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

Q.1.C) WRITE A WORD OR A TERM OR A PHRASE WHICH CAN SUBSTITUTE EACH OF THE FOLLOWING STATEMENTS :-

(5 marks)

- 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.2.DISTINGUISH BETWEEN THE FOLLOWING :- (ANY THREE)

(15 marks)

1. Fixed capital and Working capital.
2. Shares and Debentures.
3. Interim Dividend and Final Dividend.
4. Primary Market and Secondary Market.
5. Share certificate and Share Warrant.

Q.3.WRITE SHORT NOTES ON THE FOLLOWING: - (ANY THREE)

(15marks)

- 1) Features of Equity shares.
- 2) Importance of Financial Planning.
- 3) Types of Debentures.
- 4) General conditions of valid allotment of shares.
- 5) Functions of Stock Exchange.

Q.4. STATE, WITH REASONS, WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE :- (ANY THREE)

(15 marks)

- 1.) The declared dividend is statutory debt of the company.
- 2.) Handling demat shares is very time consuming.
- 3.) Rights shares are issued to general public.
- 4.) Debentures are never redeemed by the company.
- 5.) Business finance deals with all financial activities of Business

Q.5.ANSWER THE FOLLOWING :- (ANY TWO)

(10 marks)

- 1) Explain the procedure of transfer of shares.
- 2) Write a letter to debenture holder informing him about conversions of debentures into equity shares.
- 3) What are the points to be borne in mind while writing letters to members?
- 4) Draft a letter to depositor regarding repayment of his deposit.

Q.6. A] Draft a letter of Allotment of Shares.

(10 marks)

OR

B] Define preference shares. State the various types of Preference shares.

*******BEST OF LUCK*******