

SECTION - A

**Q. 1. (A) Select the correct answer:**

**1. The holder of bond is \_\_\_\_\_ of the company.**

- (A) secretary
  - (B) owner
  - (C) creditor
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**2. Company has to appoint \_\_\_\_\_ to protect the interest of depositors.**

- (A) Debenture trustees
  - (B) Deposit trustees
  - (C) Credit Rating Agency
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**3. The rate of interest payable on debenture is \_\_\_\_\_.**

- (A) fixed
  - (B) floating
  - (C) uncertain
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**4. Demat shares are \_\_\_\_\_.**

- (A) non-transferable
  - (B) fungible
  - (C) bearer
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**5. Central government is a borrower in the money market through the issue of \_\_\_\_\_.**

- (A) commercial papers
  - (B) trade bills
  - (C) treasury bills
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**Q. 1. (B) Correct the underlined words and rewrite the following sentences:**

1. Depository Receipt traded in USA is called as Global Depository Receipt.

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2. FPO refers to offering of shares to the public for the first time.

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3. Bonus shares are issued as a free gift to the Preference Shareholders.

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4. Dividend is an obligation to be paid by a company every year.

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5. A stock market is an important constituent of money market.

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**Q. 1. (B) Correct the underlined words and rewrite the following sentences:**

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**Q. 1. (D) State whether the following statements are True or False :**

1. Dividend once declared cannot be revoked.

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2. Authorized capital is mentioned in capital clause of Memorandum of Association.

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**3. Fixed capital is also referred as circulating capital.**

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**4. Depositors are given voting rights.**

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**5. Bombay Stock Exchange (BSE) is the oldest stock exchange in India.**

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**1. (Q. 2.1) Explain the following term/concept: Fixed Capital**

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**2. (Q. 2.2) Explain the following term/concept: Overdraft**

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**3. (Q. 2.3) Explain the following term/concept: Debenture Certificate**

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**4. (Q. 2.4) Explain the following term/concept: Secured Deposit**

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**5. (Q. 2.5) Explain the following term/concept: Rematerialization**

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**6. (Q. 2.6) Explain the following term/concept: Bull**

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**7. (Q. 3.1) Study the following case: STAR Company Ltd. 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?**

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**8. (Q. 3.2) Study the following case: Mr. Z holds 50 shares of Peculiar Company Ltd. in physical mode and wishes to convert the same into electronic mode. (a) Mr. Z holds a Saving Bank Account with CFDH Bank Ltd. Can he deposit his shares into this**

account for demat? (b) What type of account is needed for the same? (c) Is it the RBI which will be the custodian of shares of Mr. Z after demating?

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9. (Q. 3.3) Study the following case: XYZ Company Ltd. decides to declare dividend for the financial year 2021-22 in which it has earned profits less than their expectations. (a) Is Board right in recommending a dividend of rupee 5/- per share out of free reserves? (b) Can Board declare the dividend though it is not approved by Annual General Meeting? (c) Can the Board give dividend in the form of gifts?

10. (Q. 4.1) Distinguish between: Shares and Debentures

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11. (Q. 4.2) Distinguish between: Transfer of shares and Transmission of shares

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12. (Q. 4.3) Distinguish between: Final Dividend and Interim Dividend

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13. (Q. 4.4) Distinguish between: Primary Market and Secondary Market

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14. (Q. 5.1) Answer in brief: State the provisions relating to Bonus Shares.

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15. (Q. 5.2) Answer in brief: Explain the features of Interest.

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16. (Q. 5.3) Answer in brief: Explain any four features of Stock Exchange.

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17. (Q. 6.1) Justify the following statement: The firm has multiple choices of sources of financing.

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18. (Q. 6.2) Justify the following statement: A company can issue only certain types of debentures.

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**19. (Q. 6.3) Justify the following statement: Company has to fulfill certain provisions relating to issue of circular or advertisement.**

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**20. (Q. 7.1) Attempt the following: Write a letter to depositor regarding renewal of his deposit.**

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**21. (Q. 7.2) Attempt the following: Write a letter to the debenture holder informing him/her about conversion of debentures into equity shares.**

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**22. (Q. 7.3) Attempt the following: Write a letter to the member for the payment of dividend through dividend warrant.**

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**23. (Q. 8.1) Answer the following question: What are Preference Shares? Explain the different types of Preference Shares.**

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**24. (Q. 8.2) Answer the following question: Explain the procedure for allotment of shares.**

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