

# Scholar's Academy

Std: 12<sup>th</sup>  
Marks: 80

Subject: SP Set A  
Time: 3 Hrs

## Q.1. A) Select the correct option and rewrite the sentence.

(5 Marks)

- 1)..... Means mix up of various sources of funds in desired proportion.  
a) Capital budgeting    b) Capital structure    c) Capital goods
- 2) Under ..... method, issue price of shares is based on bidding.  
a) Book Building    b) Fixed Price    c) Bonus Issue
- 3) Interest warrants are sent to ..... of the company.  
a) Shareholders    b) Debenture holders    c) Owners
- 4) NSDL is promoted by.....  
a) NSE    b) BSE    c) FTSE
- 5) Dividend cannot be declared out of.....  
a) Capital    b) Profit    c) Reserves

## B) Give one word/phrase/term.

(5 Marks)

- 1) Capital needed to acquire fixed assets which are used for longer period of time.
- 2) Committee set up to decide the formula for allotment of shares in case of over subscription.
- 3) This is the unique code for security given in depositor system.
- 4) Dividend decided and declared by the Board.
- 5) A specific place where trading of securities is arranged in an organized method.

## C) Answer in one sentence.

(5 Marks)

1. What are retained earnings?
2. What do debenture holders receive as return on investment?
3. Name the parties involved in transfer of shares.
4. What is Dividend warrant?
5. What is Dematerialisation?

## D) Correct the underlined word and rewrite the following sentence

(5 Marks)

- 1) Owned capital is temporary capital.
- 2) A company issuing irredeemable debentures must create a charge on assets of the company..
- 3) Only fully paid up shares can be forfeited.
- 4) Payment of dividend must be made within 21 days of its declaration.
- 5) Companies sell fresh shares for the first time to the public in secondary market.

## Q.2. Explain the following terms and concepts.

(Any 4)(8

Marks)

1. Unpaid Dividend
2. Financial market
3. Secured Deposit
4. Debenture certificate
5. Sweat Equity shares
6. Investment decision

**Q.3. Study the following case/situation and express your opinion. (Any 2)(6 Marks)**

1) The Balance-sheet of a Donald Company for the year 2018-19 reveals equity share capital of Rs.25,00,000 and retained earnings of Rs.50,00,000.

- a) Is the company financially sound?
- b) Can the retained earnings be converted into capital?
- c) What type of source retained earnings is?

2) X owns 100 shares while Y owns 500 shares of Red Tubes Ltd. The company has asked all its shareholders to pay the balance unpaid amount of Rs20. X pays the full money demanded by the company. Y, who is in a bad financial position, is unable to pay money.

- a) Can the company forfeit the shares of Y?
- b) Can the company forfeit the shares of X?
- c) Can X transfer his shares?

3) Mr. S holds 50 shares of Peculiar Co. Ltd. in demat form. The company has declared a dividend of Rs 5/- per share and Bonus of 1:1 to its shareholders.

- a) How will Mr. S get his dividend?
- b) Will he get Bonus share in Physical or demat?
- c) Who is entitled to dividend and Bonus: Mr. S or the depositor? (NSDL in this case)

**Q.4. Distinguish between the following. (Any 3)(12 Marks)**

1. Fixed Capital and Working Capital.
2. Transfer of Shares and Transmission of Shares
3. Primary market and Secondary market.
4. Dividend and Interest.

**Q.5. Answer in brief. (Any 2)(8 Marks)**

1. State the features of money market.
2. State the contents of circular or Advertisement for Deposit.
3. What is Interest? Explain its features?

**Q.6. Justify the following statements. (Any 2)(8 Marks)**

1. A company has to create charge on its assets for issuing secured debentures.
2. Electronic holding of securities is safer than physical holding.
3. There are various factors affecting the requirement of fixed capital.
4. Interim dividend cannot be paid out of free reserves.

**Q.7. Attempt the following. (Any 2)(10 Marks)**

1. Write a letter to the member for the payment of Interim dividend electronically.
2. Draft a letter of allotment to debenture holder.
3. Write a letter to depositor regarding renewal of his deposit.

**Q.8. Answer the following (Any 1)(8 Marks)**

1. Define preference shares. What are the different types of preference shares?
2. Explain the statutory provisions for allotment of shares.