

Scholar's Academy

Std: 12th
Marks: 80

Subject: SP Set B
Time: 3 Hrs

Q.1. A) Select the correct option and rewrite the sentence. (5 Marks)

- 1)refers to the excess of current assets over current liabilities.
a) Working capital b) Paid-up capital c) Subscribed capital
- 2) The have the power to allot shares.
a) Director b) Board of Directors c) Company Secretary
- 3) Return of income on debentures is..... At fixed rate.
a) Dividend b) Loan c) Interest
- 4) Demat account is opened by.....
a) Beneficial Owner b) CDSL c) SEBI
- 5) Interim Dividend is declared by.....
a) Board of Directors b) Debenture holders c) Depositors

B) Give one word/phrase/term. (5 Marks)

- 1) The boom and recession cycle in the economy.
- 2) Transfer of shares due to operation of law.
- 3) The country where depository system started for the first time.
- 4) The shareholders who get dividend at a fluctuating rate.
- 5) A dealer in stock exchange who carries on trading of securities in his own name.

C) Answer in one sentence. (5 Marks)

1. What is a bond?
2. When should a company appoint a credit rating agency?
3. What is meant by private placement?
4. What is dividend?
5. What is Rematerialisation?

D) Correct the underlined word and rewrite the following sentence (5 Marks)

- 1) Depository Receipt traded in USA is called as Global Depository Receipt.
- 2) Debenture certificates are issued within 3 months of allotment of debentures.
- 3) Duplicate share certificate must be issued within one month from date of application.
- 4) The person who purchases shares of the company is called Depositor.
- 5) Financial market can be classified as capital market and call money market.

Q.2. Explain the following terms and concepts. (Any 4)(8 Marks)

1. Stock exchange
2. Money market
3. Deposit Repayment Reserve Account
4. Charge on assets
5. Employees Stock Option Scheme
6. Financing decision

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

1) Mr. Rohit, an individual investor, invests his own funds in the securities. He depends on investment income and does not want to take a risk. He is interested in definite rate of income and safety of principal.

- a) Name the type of security that Mr. Rohit 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) Red Tubes Ltd. has made a demand on its shareholders to pay the balance unpaid amount of Rs20/- per share (having a face value of 100) held by them. The company has sent letters asking the shareholders to pay the money to its Bankers within the specified time.

- a) Are the shareholders liable to pay Rs 20 for the shares held by them?
- b) Name the letter sent by the company to its shareholders asking them to pay Rs 20/-
- c) What happens if a shareholder fails to pay the money within the specified time?

3) Mr. L wants to demat his 25 shares of Peculiar Co. Ltd. bearing certificate No. 100 and distinctive No. 76-100.

- a) Which form is he required to fill as a written request to the DP?
- b) Does he have to fill instrument of transfer if he wishes to transfer the same after demat?
- c) Does he have to quote certificate no. and distinctive no. if he wishes to transfer his shares after it is in demat form?

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

1. Equity shares and Preference shares.
2. Rights Shares and Bonus Shares
3. Money market and Capital market.
4. Final Dividend and Interim Dividend

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

1. State the functions of financial market.
2. State the amount of deposits that different types of companies can collect by way of deposits.
3. Define Dividend and explain its features?

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

1. A company can issue only certain types of debentures.
2. There are various factors affecting the requirement of working capital.
3. Depositor system is very similar to the Banking system.
4. Equity shares get last priority in dividend.

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

1. Write a letter to the shareholder regarding issue of Shares Certificate.
2. Write a letter to the debenture holder regarding payment of interest electronically.
3. Draft a letter of thanks to the depositor of a company.

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

1. Explain the two methods a company can use to make its public offer of shares.
2. What is Debenture? Discuss the different types of debentures.