

BOARD QUESTION PAPER : FEBRUARY 2018

Time: 3 Hours

Max. Marks: 80

Note:

- (1) All questions are compulsory.
- (2) Figures to the right indicate full marks for the questions.
- (3) Figures to the left indicate question numbers.
- (4) Answer to every question must be started on a new page.

Q.1. (A) Select the proper option from the options given below and rewrite the sentences:

(5)[15]

- (1) Refusal to allot shares is conveyed through_____.
(a) regret letter (b) allotment letter (c) call letter
- (2) If a share of ` 100 is issued at ` 100, it is said to be issued at_____.
(a) Premium (b) Par (c) Discount
- (3) Wealth maximization of owner means maximization of_____of shares.
(a) facevalue (b) issuevalue (c) market value
- (4) Unpaid / unclaimed dividend shall be transferred to 'Investors' Education and Protection Fund' on expiry of_____years.
(a) three (b) seven (c) six
- (5) A company with share capital must issue_____ shares.
(a) equity (b) preference (c) right

(B) Match the correct pairs:(5)

| | Group "A" | | Group "B" |
|-----|---|-----|---|
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | a. Dividend | 1. | Security about repayment |
| | b. Financial plan | 2. | 1875 |
| | c. Secured debentures | 3. | Return on investment of shareholders |
| | d. American depository receipt | 4. | 1857 |
| | e. Establishment of Bombay Stock Exchange | 5. | Management of business funds |
| | | 6. | Repaid on maturity |
| | | 7. | Debenture certificate holder |
| | | 8. | Advance programming of financial management |
| | | 9. | Receipt is traded in a country other than USA |
| | | 10. | Receipt is traded in USA |

Write a word or a term or phrase which can substitute each of the following statements:

(5)

- A market where short term funds are borrowed and lent.
- The shares which are issued to existing equity shareholders as a gift.
- The bonds on which rate of interest remains constant throughout the life of the bond.
- The organization which acts as intermediary between investors and depository.
- Documents used for payment of dividend to members.

- Q.2. Distinguish between the following: (Any three) [15]**
- (1) Dematerialization and Rematerialization
 - (2) Transfer of shares and Transmission of shares
 - (3) Primary market and Secondary market
 - (4) Shares and Debentures
 - (5) Interim dividend and Final dividend
- Q.3. Write notes on the following (Any three): [15]**
- (1) Share warrant
 - (2) Importance of financial planning
 - (3) Initial Public Offer (IPO)
 - (4) Global depository receipt
 - (5) Provisions regarding unpaid/ unclaimed dividend
- Q.4. State with reasons, whether the following statements are True or False: (Any three) [15]**
- (1) The financial market contributes towards the nation's economic growth and development.
 - (2) The bond holders are owners of the company.
 - (3) Depositor's approval is must for renewal of deposit.
 - (4) A share certificate is a bearer document.
 - (5) Debentures are never redeemed by the company.
- Q.5. Attempt the following: (Any two) [10]**
- (1) State the position of debenture holders in a company.
 - (2) Draft a letter of thanks to the depositor of a company.
 - (3) What are the factors affecting requirement of fixed capital?
 - (4) Draft a letter to a debenture holder informing him about redemption of debentures.
- Q.6. Define 'preference shares'. Explain various types of preference shares. [10]**
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- Draft a letter of allotment of shares to the applicant.