



**(C) Write a word or a term or phrase which can substitute each of the following statements. (5)**

1. The internal sources of financing.
2. The value of share which is determined by demand and supply forces in the share market.
3. Authority which has the power to issue shares.
4. This process which converts securities from physical form to electronic form.
5. An institution which regulates and controls the activities of stock exchange.

**(D) State whether the following statements are true or false. (5)**

1. Bombay Stock Exchange is the oldest stock exchange in India.
2. Finance is related to money and money management.
3. Allotment of shares must be done within one month of receipt of application money.
4. Fixed deposit is a short-term source of finance for the company.
5. Dividend once declared cannot be revoked.

**Q.2. Explain the following terms / concepts. (Any FOUR): (08)**

1. Working capital.
2. Ploughing back of profits.
3. Debenture certificate.
4. Dematerialization.
5. Stock Exchange.

**Q.3. Study the following case / situation and express your opinion.**

**(Any TWO) (06)**

- (1) The management of 'Maharashtra State Road Transport Corporation', wants to determine the size of working capital
  - a) Being a public utility provider, will it need less working capital or more?
  - b) Being a public utility provider, will it need more Fixed capital?
  - c) Give one example of public utility services that you come across day – to – day basis.
- (2) TRI Ltd. Company is newly incorporated public company and wants to raise capital by selling Equity shares to the public. The Board of Directors are considering various options for this. Advise the Board on the following matters:
  - a) What should the company offer IPO or FPO?
  - b) Can the company offer Bonus Shares to raise its capital?
  - c) Can the company enter into Underwriting Agreement?

- (3) Mr. Rohit, an individual investor, invests his own funds in the securities. He depends on investment income and does not want to take any risk. He is interested in definite rate of income and safety of principal.
- Name the type of security that Mr. Rohit will opt for.
  - What does he receive as return on his investment?
  - The return on investment which he receives is fixed or fluctuating?

**Q.4. Distinguish between the following: (Any THREE) (12)**

- Owned Capital and Borrowed Capital.
- Transfer of shares and Transmission of shares.
- Primary Market and Secondary Market.
- Shares and Debentures.

**Q.5. Answer in brief: (Any TWO) (08)**

- State the general principals / rules for allotment of shares.
- State any four provisions of Companies Act, 2013 for issue of debentures.
- State the amount of deposits that different types of companies can collect by way of deposits.

**Q.6. Justify the following statements: (Any TWO) (08)**

- There are various factors affecting the requirement of fixed capital.
- Bond holder is creditor of the company.
- All companies cannot accept deposits from public.
- Depository system results in reduced time, cost and efforts.

**Q.7. Attempt the following (Any TWO) (10)**

- Write a letter to the shareholder regarding issue of Bonus Shares.
- Draft a letter to debenture holder informing him about redemption of debentures.
- Draft a letter of thanks to the depositor of a company.

**Q.8. Answer the following (Any ONE) (08)**

- Define preference shares. What are the different types of preference shares.

**OR**

- What is an equity share? Explain its features.

\*\*\*\*\*

