

**CHETANA'S JUNIOR COLLEGE OF COMMERCE & ARTS**  
Bandra (East), Mumbai-51

**PRELIMINARY EXAMINATION 2021-22**

**Sub: - Secretarial Practice (SP -1)**

Marks: - 80

Std: - SYJC com

Time: - 3 hrs.

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*Note: - (i) All Questions are compulsory.*  
*(ii) Figures to the right indicate full marks for the question.*  
*(iii) Figures to the left indicate question numbers.*  
*(iv) Answer to every question must start on a new page.*  
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**Q.1 (a) Select the correct option and rewrite the sentence: - (5)**

1. Accumulated dividend is paid to \_\_\_\_ Preference shares.  
(redeemable, cumulative, convertible)
2. Under \_\_\_\_ a company offers its securities to a selected group of people not exceeding 200.  
(Private placement, IPO, Public offer)
3. A company cannot issue \_\_\_\_ with voting rights.  
(equity shares, debentures, securities)
4. Dividend should be paid within \_\_\_\_ days of its declaration.  
(3, 13, 30)
5. Money market is a market for lending & borrowing funds for \_\_\_\_ term. (Short, medium, long)

**(b) Complete the sentence: (5)**

1. Debenture certificate must be issued within \_\_\_\_ months of allotment of debenture.
2. Letter sent to applicant for informing them about allotment of shares is called as \_\_\_\_.
3. Return on allotment of debenture is called as \_\_\_\_.
4. The first depository of India is \_\_\_\_.
5. The Oldest Stock exchange in India is \_\_\_\_ .

**(c) State True Or False: - (5)**

1. Debenture holders are paid interest every year \_\_\_\_\_

2. Equity shareholders get dividend at fixed rate \_\_\_\_\_
3. Interest is a liability for the company \_\_\_\_\_
4. Primary market is also known as new issue market \_\_\_\_\_
5. Financial market contributes to nations growth & development \_\_\_\_\_

**(d) Find Odd Ones: - (5)**

1. Bonus share, Right share, ESOS
2. Floor price, Cap price, Face value.
3. Out of capital, out of free reserve, out of money given by government.
4. BSE, NSE, RBI
5. CRISIL, SEBI, CARE

**Q.2 Explain the following terms/ concepts: - (any 4) (8)**

1. Owned capital
2. IEPF
3. Stock exchange
4. Dematerialization
5. Bonus share
6. Tenure of deposit

**Q.3 Study the following Case / situation and express your opinion: (any 2) (6)**

(1) A company is planning to enhance its production capacity and is evaluating the possibility of purchasing new machinery whose cost is ` 2 crore or has alternative of machinery available on lease basis.

- a) What type of asset is machinery?
- b) Capital used for purchase of machinery is fixed capital or working capital?
- c) Does the size of a business determine the fixed capital requirement?

(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) ABC Co. Ltd. decides to pay Interim Dividend

- a) Can it be paid out of free reserves?
- b) Is the Board right in declaring the same at the Board Meeting?
- c) Can the company distribute the same within 30 days of its declaration?

**Q.4 Distinguish between: - (any 3) (12)**

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

**Q.5 Answer in brief: - (any 2) (8)**

1. State the features of bond?
2. State general principles or rules for allotment of shares?
3. Explain any 4 advantages of Depository system to Company?

**Q.6 Justify the following statement: (any 2) (8)**

1. Equity share capital is risk capital.
2. ESOS is offered by a company to its permanent employees, directors, officers.
3. Interim dividend cannot be paid out of free reserves.
4. SEBI is the regulator for securities market in India.

**Q.7 Attempt the following: - (any 2) (10)**

1. Write a letter to the member for issue of share certificate.
2. Draft a letter to Debenture holder regarding Payment of Interest thru Interest warrant.
3. Draft a letter to the depositor regarding repayment of his deposit.

**Q.8 Answer the following: - (any 1) (8)**

1. What are Preference shares? Explain the different types of Preference shares?
2. Explain briefly the provisions of companies Act,2013 for issue of Debentures?

\*\*\*\*\* All the Best \*\*\*\*\*