

SMT.MMK COLLEGE OF COMMERCE AND ECONOMICS
BANDRA WEST

PRELIMINARY EXAMINATION :S.Y.J.C

SUB: SECRETARIAL PRACTICE

Time : 3 Hours Total Marks : 80

DATE

01/02/2022

Note : (1) All questions are compulsory.

(2) Figure to the right indicate full marks for the questions.

(3) Figures to the left indicate question numbers.

(4) Answer to every question should start on a new page.

Q. 1. (A) Select the correct answer from the options and rewrite the statements:

(5)

(1) The sum of all _____ is gross working capital.

(a) expenses (b) current assets (c) current liabilities

(2) Under _____ method, issue price of shares is based on bidding.

(a) Book building (b) Fixed price (c) Bonus issue

(3) Charge on assets is to be created when a company issues _____.

(a) Unsecured deposit (b) Unsecured debenture (c) Secured deposit

(4) Dividend amount should be transferred in a separate bank account within _____ days of its declaration.

(a) 5 (b) 15 (c) 50

(5) Money market is a market for lending and borrowing of funds for _____ term.

(a) short (b) medium (c) long

(B) Write a word or a term or a phrase which can substitute each of the

following statements :

(5)

(1) A document of title of ownership of shares.

(2) Type of debentures on which company has to create a charge on its assets.

(3) This process converts securities into electronic form from physical form.

(4) Dividend declared between two AGMs.

(5) A specific place where trading of securities is arranged in an organised method.

(C) State whether the following statements are True or False : (5)

- (1) A firm with large scale operations will require more working capital.
- (2) Debenture holders have no voting rights.
- (3) Debentures are never redeemed by the company.
- (4) Dividend once declared cannot be revoked.
- (5) Primary Market is also known as New Issue Market.

(D) Answer in one sentence : (5)

- (1) In what country can GDR be issued?
- (2) What is meant by Private Placement ?
- (3) Which companies can accept deposit from public ?
- (4) At which meeting interim dividend is decided and declared?
- (5) What is Stock Exchange ?

**Q. 2. Explain the following terms/concepts : (Any FOUR)
(8)**

- (1) Borrowed Capital.
- (2) Charge on Assets.
- (3) Redemption of Debentures.
- (4) Depository System.
- (5) IEPF.
- (6) Capital Market.

Q. 3. Study the following case/situation and express your opinion : (Any TWO) (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) Himgiri Ltd. is an eligible public company as per the Companies Act, 2013 with reference to accepting public deposit.

- (a) Can company accept the deposit in joint names ?
- (b) Can company accept deposit from its members ?
- (c) Can the company issue secured deposits ?

(3) Gold Co, Ltd. declares a dividend of ` 10/- per share for Financial Year 2018-19.

- (a) Is Company under default, if dividend was not paid within 30 days of its declaration?
- (b) Is company right in transferring the unpaid dividend to its Debenture Reserve Account ?
- (c) Does the company have to transfer the amount of unpaid dividend to IEPF after 30 days ?

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

- (1) Transfer of Shares and Transmission of Shares.
- (2) Dematerialisation and Rematerialisation.
- (3) Final Dividend and Interim Dividend.
- (4) Primary Market and Secondary Market.

**Q. 5. Answer in brief : (Any TWO)
(8)**

- (1) What is Public Deposit ?
- (2) State any four provisions of Companies Act 2013 for issue of debentures.
- (3) Explain any four advantages of depository system to investor.

Q. 6. Justify the following statements : (Any TWO)
(8)

- (1) Fixed capital stays in the business almost permanently.
- (2) ESOS is offered by a company to its permanent employees, Directors and officers.
- (3) All companies cannot accept deposit from public.
- (4) Stock Exchanges work for the growth of the Indian economy.

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

- (1) Write a letter to the shareholder regarding issue of Bonus Shares.
- (2) Draft a letter of allotment to Debentureholder.
- (3) Draft a letter to depositor regarding repayment of his deposit.

Q. 8. Answer the following questions : (Any ONE)
(8)

- (1) What is an Equity Share ? Explain its features.
- (2) Explain the statutory provisions for allotment of shares.