

**BOARD QUESTION PAPER : MARCH 2014****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 correct answer from the possible choices given below and rewrite the statements: (5)[15]**

- (1) 'Trading on equity' means use of \_\_\_\_\_ capital for financing a firm.  
(a) equity shares (b) preference shares (c) borrowed
- (2) A \_\_\_\_\_ is an indivisible unit of share capital.  
(a) debenture (b) share (c) bond
- (3) Debenture certificate must be issued within \_\_\_\_\_ months of allotment.  
(a) three (b) six (c) nine
- (4) The \_\_\_\_\_ recommend the final dividend.  
(a) shareholders (b) board of directors (c) promoters
- (5) The market where existing securities are resold or traded is called \_\_\_\_\_ market.  
(a) commodity (b) secondary (c) primary

**(B) Match the correct pairs: (5)**

	<b>Group "A"</b>		<b>Group "B"</b>
i.	Fixed capital	a.	Owned capital
ii.	Overdraft facility	b.	Bearer document
iii.	Share certificate	c.	Investment in fixed assets
iv.	Debentures	d.	Current Account
v.	Return on shares	e.	Application money
		f.	Dividend
		g.	Investment in current assets
		h.	Borrowed capital
		i.	Savings Account
		j.	Registered document

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

- (1) Depository Receipt traded in other countries other than the U.S.A.
- (2) Transfer of ownership of shares as per the provisions of law.
- (3) Dividend declared by company at its annual general meeting.
- (4) Return on investment in debentures.
- (5) The place where buying and selling of securities takes place.

**Q.2. Distinguish between the following: (Any three) (15)**

- (1) Shares and Debentures.
- (2) Transfer of Shares and Transmission of Shares.
- (3) Final dividend and Interim dividend.
- (4) Money market and Capital market.
- (5) Primary market and Secondary market.



- Q.3.** Write short notes on Any THREE of the following: (15)
- (1) Importance of financial planning.
  - (2) Retained profits.
  - (3) Share certificate.
  - (4) Employee stock option scheme.
  - (5) Methods of redemption of debentures.
- Q.4.** State with reasons, whether the following statements are True or False: (Any three) (15)
- (1) Financial management is essential for all types of organizations.
  - (2) Equity shareholders are real owners and controllers of a company.
  - (3) Transfer of shares is initiated by the company.
  - (4) A private company can accept deposits from public.
  - (5) Handling demat shares is very time consuming.
- Q.5.** Attempt the following: (Any two) (10)
- (1) State the legal provisions regarding declaration of dividend.
  - (2) Draft a letter of allotment of debentures.
  - (3) Draft a letter to a debenture holder informing him about redemption of debentures.
  - (4) Draft a letter to a depositor about renewal of deposit.
- Q.6.** What is a 'debenture'? State the features of debentures. (10)
- OR**
- Write a letter to a shareholder regarding issue of bonus shares.