

**BOARD QUESTION PAPER : OCTOBER 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) Normally _____ gives advice to the Board of Directors in respect of financial matters.
(a) Auditor (b) Secretary (c) Finance Manager
- (2) A company must issue _____ shares.
(a) preference (b) bonus (c) equity
- (3) Transfer of shares by operation of law is called _____ of shares.
(a) transfer (b) allotment (c) transmission
- (4) Fully convertible debentures are converted into _____ shares on maturity.
(a) equity (b) deferred (c) bonus
- (5) Dividend warrants are issued to _____ holders for getting dividend.
(a) share certificate
(b) share warrant
(c) coupon

(B) Match the correct pairs: (5)

	Group "A"		Group "B"
i.	Debenture holders	a.	Approval of Secretary
ii.	Renewal of deposits	b.	Declared between two annual general meetings
iii.	Interim dividend	c.	Creditors of the company
iv.	Letter of regret	d.	Primary market
v.	Stock Exchange	e.	Approval of depositors
		f.	Owners of the company
		g.	Declared in extraordinary general meeting
		h.	Share applicant becomes shareholder
		i.	Secondary market
		j.	Refund order

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

- (1) The basic principle of business activities that aims at profit.
- (2) The value of share which is written on the share certificate and mentioned in the memorandum of association.
- (3) A document which is an invitation to the general public to subscribe for shares of company.
- (4) An acknowledgment of the deposit accepted by a company.
- (5) The institution which regulates business in stock exchange.



- Q.2. Distinguish between the following: (Any three) (15)**
- (1) Fixed capital and Working capital.
 - (2) Equity shares and Preference shares.
 - (3) Share certificate and Share warrant.
 - (4) Dematerialization and Rematerialization.
 - (5) Final dividend and Interim dividend.
- Q.3. Write short notes on Any THREE of the following: (15)**
- (1) Bonus shares
 - (2) Conditions of valid allotment
 - (3) Renewal of deposits
 - (4) Depository
 - (5) Provisions regarding unclaimed/unpaid dividend
- Q.4. State with reasons, whether the following statements are True or False: (Any three) (15)**
- (1) Requirement of working capital does not depend upon any factor.
 - (2) The bond holders are owners of the company.
 - (3) Rights shares are issued to the general public.
 - (4) Preference shareholders do not enjoy normal voting rights.
 - (5) Stock exchanges reflect financial progress of the company.
- Q.5. Attempt the following: (Any two) (10)**
- (1) Write a letter to a debenture holder informing him about conversion of debentures into equity shares.
 - (2) Draft a letter of thanks to a depositor of a company.
 - (3) State the characteristics of money market.
 - (4) Draft a letter to a depositor informing him about payment of interest.
- Q.6. Define 'preference shares'. State various types of preference shares. (10)**
- OR**
- Draft a letter of allotment to a share applicant.