

**BOARD QUESTION PAPER : JULY 2016****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 proper option from the options given below and rewrite the sentences: (5)[15]**

- (1) Wealth maximization of owner means maximization of \_\_\_\_\_ of shares.  
(a) face value      (b) market value      (c) issue value
- (2) Debenture holders get fixed rate of \_\_\_\_\_ as return on their investment.  
(a) interest      (b) dividend      (c) discount
- (3) The depository participant has \_\_\_\_\_ number for identification.  
(a) Index      (b) PAN      (c) I.D.
- (4) Refusal to allot shares is conveyed through \_\_\_\_\_ letter.  
(a) regret      (b) allotment      (c) call
- (5) An institution which regulates and controls the activities of the Stock Exchange is called \_\_\_\_\_.  
(a) N.S.E.      (b) B.S.E.      (c) S.E.B.I.

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

	Group "A"		Group "B"
1.	Working capital	a.	Redeemed capital
2.	Equity share capital	b.	Secretary
3.	Share warrant	c.	Shares do not have distinctive number
4.	Recommendation of dividend	d.	Fixed assets
5.	Fungibility	e.	Link between S.E.B.I. and Depository
		f.	Board of Directors
		g.	Registered document
		h.	Sum of current assets
		i.	Bearer document
		j.	Permanent capital

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

- (1) A bond on which no interest is paid but issued at discount.
- (2) A speculator who expects the price of a particular share to rise in the future.
- (3) A dividend remaining unpaid to shareholders even after the expiry of 30 days of its declaration.
- (4) The highest price quoted by a buyer to buy a specified number of shares or stock at any given time.
- (5) The type of debenture which is redeemed after a fixed period of time.



- Q.2. Distinguish between the following: (Any three) [15]**
- (1) Transfer of shares and Transmission of shares.
  - (2) Interim dividend and Final dividend.
  - (3) Money market and Capital market.
  - (4) Share and Debenture.
  - (5) Fixed capital and Working capital.
- Q.3. Write short notes on (Any THREE): [15]**
- (1) Importance of financial planning.
  - (2) Features of equity shares.
  - (3) Contents of the share certificate.
  - (4) Renewal of Deposits.
  - (5) Functions of S.E.B.I.
- Q.4. State with reasons, whether the following statements are True or False: (Any three) [15]**
- (1) Right shares are issued to the general public.
  - (2) Debentures are never redeemed by the company.
  - (3) The holder of share warrant may not be given full rights of membership.
  - (4) Shares in physical form cannot be converted into electronic form.
  - (5) No dividend can be declared without making provisions for reserves and depreciation.
- Q.5. Attempt the following: (Any two) [10]**
- (1) Draft a letter to the depositor informing him/her about payment of interest.
  - (2) Write a letter to the debenture holder informing him/her about conversion of debentures into equity shares.
  - (3) Write features of shares.
  - (4) Draft a letter of allotment of debentures.
- Q.6. Define preference shares. Explain various types of preference shares. [10]**
- OR**
- Write a letter of regret to a share applicant.