

**BOARD QUESTION PAPER : JULY 2017****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) Business finance deals with _____ activities of business.
 (a) manufacturing (b) selling (c) financial
- (2) Equity shares are paid dividend at _____ rate.
 (a) fluctuating (b) fixed (c) high
- (3) A company raises debt capital through issue of _____.
 (a) equity shares (b) preference shares (c) debentures
- (4) Dividend should be distributed within _____ days from its declaration.
 (a) 30 (b) 45 (c) 21
- (5) Shares issued free of cost to the shareholders are known as _____ shares.
 (a) deferred (b) preference (c) bonus

(B) Match the correct pairs: (5)

	Group "A"		Group "B"
1.	Fixed capital	a.	Share certificate holder
2.	Equity share capital	b.	Share warrant holder
3.	Share certificate	c.	Investment in current assets
4.	Debentures	d.	Investment in fixed assets
5.	Dividend warrant	e.	Redeemable capital
		f.	Permanent capital
		g.	Bearer Document
		h.	Registered Document
		i.	Interest
		j.	Dividend at fixed rate

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

- (1) Name of the shareholders who are real masters of the company.
 (2) Transfer of ownership of shares by operation of law.
 (3) Return on investment in debentures.
 (4) A market place where the existing securities are bought and sold.
 (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) Shares and Debentures
 (3) Share certificate and Share warrant
 (4) Final dividend and Interim dividend
 (5) Primary market and Secondary market



- Q.3.** Write short notes on (Any THREE): [15]
- (1) Importance of financial planning.
 - (2) Types of debentures.
 - (3) Conditions of valid allotment.
 - (4) Conditions for issue of debentures.
 - (5) Advantages of public deposits for a company.
- Q.4.** State with reasons, whether the following statements are True or False: (Any THREE) [15]
- (1) Public deposit is a good source for long-term financing.
 - (2) Rights shares are issued to general public.
 - (3) Share transfer in depository mode is fast and economical.
 - (4) The rate of interim dividend is greater than final dividend.
 - (5) The objective of SEBI is to protect interest of the companies.
- Q.5.** Attempt the following: (Any TWO) [10]
- (1) What are the contents of share certificate?
 - (2) Draft a letter to debenture holder informing him about redemption of debentures.
 - (3) What is a letter of allotment of shares? What are its contents?
 - (4) Draft a letter to depositor informing him about payment of interest.
- Q.6.** What is equity share? State the features of equity shares. [10]
- OR**
- Draft a notice of dividend.