

CHAPTER 1 : INTRODUCTION TO CORPORATE FINANCE

- Q.1 A)** 1) Finance, 2) monetary, 3) capital, 4) taxes, 5) Fixed capital, 6) Working capital, 7) huge, 8) expand, 9) current assets, 10) Capital structure.
- B)** a. 6) Investment decision, b. 5) Fixed assets, c. 1) Sum of current assets, d. 9) Mix up of various sources of funds, e. 2) Deals with acquisition and use of capital
- C)** 1) Finance, 2) Financing decision, 3) Investment decision, 4) Fixed capital, 5) Working capital, 6) Working capital, 7) Production cycle, 8) Business cycle, 9) Capital structure, 10) Retained earnings.
- D)** 1) True, 2) True, 3) True, 4) False, 5) False, 6) False, 7) True, 8) True, 9) True, 10) True
- E)** 1) Cash, 2) Debenture Capital 3) Capital Structure.
- F)** 1) Finance manager, 2) Increase, 3) Production cycle, 4) Decrease,
- G)** a) Financing decision 1) To have right amount of capital
b) Fixed capital 2) Longer period of time.
c) Investment decision 3) Deploy funds in systematic manner.
d) Working capital 4) Circulating capital
e) Combination of various sources of funds 5) Capital structure
- I)** 1) Interest, 2) boom, 3) Debenture, 4) Preference shares

CHAPTER 2 : SOURCES OF CORPORATE FINANCE

- Q.1 A)** 1) Share, 2) International, 3) Equity shareholders, 4) Equity shareholders, 5) Bonus, 6) fixed, 7) cumulative, 8) convertible, 9) creditors, 10) Interest, 11) Interest, 12) equity shares, 13) internal, 14) creditor, 15) six, 16) 36, 17) U.S.A.
- B)** a. 4) Venture Capital, b. 9) Trust Deed, c. 10) Cautious Investor, d. 8) Instrument of debt., e. 2) Capitalisation of Profit
- C)** 1) Equity shareholders, 2) Share Certificate, 3) Participating Preference shares, 4) Debenture Trustees, 5) Equity shareholders, 6) Face value, 7) Market value, 8) Retained earning, 9) Deposit Receipt, 10) American Depository Receipt (A.D.R.), 11) Global Depository Receipt (G.D.R.), 12) Public Deposits, 13) Trade Credit, 14) Overdraft.
- D)** 1) True, 2) False, 3) True, 4) False, 5) False, 6) True, 7) True, 8) True, 9) False
- E)** 1) Retained earnings, 2) Redemption value, 3) ADR, 4) Trade Credit
- F)** 1) Capital, 2) Equity shares, 3) Directors, 4) Equity shareholders, 5) Creditors, 6) Global Depository Receipt, 7) 1948, 8) Trade Credit

- G)** a) Equity shares 1) Fluctuating rate of Dividend
b) Preference shares 2) Dividend at fixed rate
c) Debentures 3) Interest at fixed rate
d) Retained earnings 4) Accumulated corporate profit
e) Public Deposit 5) Short term loan.
- I)** 1) Permanent 2) Fluctuating 3) Fixed 4) Internal
5) Creditor 6) Long 7) ADR/American Depository Receipt.

CHAPTER 3 : ISSUE OF SHARES

- Q.1 A)** 1) Share capital, 2) Authorised, 3) Public Issue, 4) Book Building, 5) Initial Public Offer, 6) Rights Issue, 7) Existing Equity Shareholders., 8) ESOS, 9) Private placement, 10) Board of Directors, 11) Allotment, 12) Share Certificate, 13) One month, 14) Forfeit, 15) Transfer, 16) Transmission.
- B) (I)** a. 5) Transmission of shares, b 4) Surrender of shares, c. 9) Fixed price issue method, d. 3) offered to existing employees, e. 6) Non - allotment of shares.
- (II)** a. 4) Capital offered to public to subscribe, b. 2) Any issue after IPO, c. 7) Free shares issued to existing equity shareholders, d. 5) Share certificate, e. 1) Non-payment of calls.
- C)** 1) Share capital, 2) Subscribed capital, 3) Reserve capital, 4) Cap price/ceiling price, 5) Initial public offer/IPO, 6) Further Public Offer/Follow on Public Offer FPO, 7) Rights Issue/shares, 8) Bonus shares, 9) Allotment of shares, 10) Allotment committee, 11) Minimum subscription, 12) Share certificate, 13) Forfeiture of shares, 14) Transferee, 15) Transmission of shares.
- D)** 1) False, 2) True, 3) True, 4) False, 5) True, 6) False, 7) False, 8) True, 9) False, 10) True
- E)** 1) Equity share capital, 2) Rights shares, 3) Face value, 4) ESOS, 5) Allotment of shares
- F)** 1) Preference shares, 2) Uncalled capital, 3) Transmission of shares, 4) Transferee, 5) Surrender of shares, 6) Partly paid up shares, 7) Duplicate share certificate, 8) 1 month of date of receipt of instrument of transfer, 9) Letter of allotment, 10) Over subscription, 11) Cut-off price, 12) Bonus shares,
- G)** a) Public offer of shares 1) Shares offered to public
b) First time offer of shares 2) Initial Public Offer
c) Rights Issue 3) Shares offered to existing Equity shareholders
d) share offered to existing employees 4) ESOS
e) Operation of law 5) Transmission of shares.
- I)** 1) Authorised capital 2) Book building method 3) IPO 4) partly paid 5) equity shareholders 6) underwriters 7) Letter of Regret 8) three 9) 25 %

- J)** 1. c) Allotment of shares b) Calls on shares a) Forfeiture of shares
 2. c) Application form b) Allotment letter a) Share certificate
 3. b) Application form c) Minimum subscription a) Return of allotment

CHAPTER 4 : ISSUE OF DEBENTURES

- Q.1 A)** 1) Debentures, 2) Partly or fully, 3) Debenture redemption reserve, 4) Debenture trustees, 5) 10 years, 6) secured, 7) 6 months, 8) Register of debenture, 9) Debenture trustees, 10) Debenture trust deed, 11) 60 days
- B)** a. 7) protects interest of debenture holders, b. 5) No voting rights, c. 3) Secured debentures, d. 1) power to issue debentures, e. 10) issued within 6 months of allotment of debentures
- C)** 1) Special resolution, 2) Debenture redemption reserve, 3) Debenture Trustees, 4) 10 years, 5) Secured debentures, 6) Debenture trust deed, 7) 60 days, 8) 6 months from allotment of debentures, 9) Debenture trustees, 10) Board of directors
- D)** 1) True, 2) False, 3) True, 4) True, 5) False, 6) False, 7) True, 8) False, 9) True, 10) False.
- E)** 1) Dividend, 2) Court, 3) Irredeemable debentures, 4) Shareholders
- F)** 1) Debenture trust deed, 2) Debenture trustee, 3) 60 days, 4) Board of directors, 5) 10 years from date of its issue, 6) NCLT, 7) Debenture Trustee, 8) Interest, 9) 75 % of the issue, 10) Credit rating.
- G)** a. Debenture trustees 1) Trust deed,
 b. Secured Debentures 2) charge on assets,
 c. Register of debentures 3) names of debenture holders,
 d. Issued within 6 months of allotment 4) debenture certificate,
 e. No voting rights 5) debenture holders
- I)** 1) Register of Debenture holders 2) 10 years 3) secured 4) Interest
 5) debenture holders 6) 6 months 7) 60 days 8) credit rating agency.
- J)** 1) a. Obtain Credit Rating
 c. Receive application with money,
 b. Entry in register of Debenture
 2) b. Issue prospectus, c. Open Bank Account, a. Issue Debenture Certificate
 3) c. Receive application with money, a. Hold Board Meeting for allotment
 b. Issue debenture certificate.

CHAPTER 5 : DEPOSITS

- Q.1 A)** 1) Short term loan, 2) Public, 3) 100, 4) Government, 5) 36, 6) Circular, 7) 30, 8) Deposit Trustee, 9) Secured Deposit, 10) 21, 11) 1, 12) 30th June

- B)** a. 5) 100% of aggregate of paid-up share capital and free Reserve,
b. 2) Signed at least 7 days before issuing Advertisement,
c. 4) Charge on tangible assets,
d. 8) Maximum 36 months, e. 10. File on or before 30th June every year.
- C)** 1) Private Company, 2) Government Company, 3) 6 months, 4) 36 months,
5) Within 30 days of acceptance of deposits, 6) Circular, 7) Deposit Trust Deed,
8) Deposit Repayment Reserve Account, 9) Within 21 days from date of receipt of
deposit, 10) Register of Deposit.
- D)** 1) False, 2) True, 3) False, 4) False, 5) True, 6) False, 7) True, 8) True,
9) False, 10) True
- E)** 1) Government Company, 2) Special Resolution, 3) Appointment of Registrar of
Companies
- F)** 1) Short term loan, 2) Public, 3) ₹ 100 crores, 4) 35% of its paid-up share capital
and free reserve, 5) 36 months, 6) Demand, 7) 3 months, 8) Advertisement,
9) Credit Rating Agency, 10) Deposit Repayment Reserve Account
- G)** a. Government Company 1) deposits from public,
b. Private Company 2) deposits from member,
c. 36 months 3) Maximum tenure of deposits,
d. Secured deposit 4) charge on tangible assets,
e. Return of deposits 5) file on or before 30th June.
- I)** 1) public 2) circular 3) Deposit Trustees 4) 21 days 5) Return of deposit
6) secured 7) 6
- J)** 1) b. Hold General Meeting, a. Appoint Deposit Trustee, c. Create charge on Assets
2) c. Issue Advertisement, b. Issue Deposit Receipt a. File Return of deposit
3) a. Obtain Credit Rating, c. Issue Deposit Receipt, b. Entries in Register of Deposits.

CHAPTER 6 : CORRESPONDENCE WITH MEMBERS

- Q.1 A)** 1) representatives of the shareholders, 2) 30, 3) dividend, 4) bonus, 5) 2,
6) prompt and precise, 7) Board of Directors, 8) Profit, 9) Dividend warrant.
- B)** a. 9) Instrument for Payment of Dividend,
b. 6) Dividend,
c. 4) Capitalisation of Reserve Fund,
d. 3) Electronic Clearing Service,
e. 5) National Electronic Fund Transfer.
- C)** 1) Bonus Shares, 2) Dividend Warrant, 3) Equity Shareholders,
4) Board of Directors, 5) Company Secretary, 6) Dividend Warrant.
- D)** 1) True, 2) False, 3) True, 4) False, 5) False, 6) False, 7) False

- E)** 1) Secrecy 2) Board of Directors, 3) Demat, 4) Lucid language
- F)** 1) Board of Directors, 2) Bonus, 3) 30, 4) Shareholders, 5) Secretary.
- G)** a. Return on Shares 1) Dividend,
b. Capitalisation of Reserve Fund 2) Bonus Shares,
c. Correspondence 3) Written Communication,
d. ECS 4) Payment of Dividend Electronically
- I)** 1) Board of Directors, 2) Shareholder, 3) Existing Equity, 4) 30, 5) Two
- J)** 1. b) Application for shares, a) Allotment of shares, c) Share certificate
2. b) Applicant, a) Member, c) Bonus shares

CHAPTER 7 : CORRESPONDENCE WITH DEBENTUREHOLDERS

- Q.1 A)** 1) borrowed, 2) Creditors, 3) Debentureholder, 4) Interest Warrant, 5) Debentureholder, 6) Interest coupons, 7) Interest, 8) Debentures, 9) Redeemable, 10) Fixed, 11) Debenture, 12) Debentureholders.
- B)** a. 9) Creditor, b. 5) Interest warrant, c. 10) Conversion into equity shares, d. 3) Evidence of Loan, e. 4) Safe and Secured investment, f. 11) Redeemed after fixed period, g. 1) Borrowed Capital.
- C)** 1) Interest, 2) Debenture Certificate, 3) Creditors, 4) Convertible Debentures, 5) Debentureholder, 6) Debenture, 7) Registered Debentures.
- D)** 1) False, 2) True, 3) True, 4) True, 5) False, 6) False, 7) False, 8) False, 9) False, 10) True
- E)** 1. Depository, 2. Demat, 3. Dematerialisation, 4. SEBI
- F)** 1. Creditor, 2. Debenture, 3. Interest, 4. warrant, 5. Secretary, 6. Debentureholder, 7. Profit, 8. Voting, 9. 6, 10. Debenture Trustees, 11. Board of Directors.
- G)** a. Return on Debentures 1) Interest
b. Debenture certificate 2) Issued within 6 months
c. Creditors 3) Debentureholder
d. Debt capital 4) Debentures
e. Board of Directors 5) Power to issue Debentures.
- I)** 1. Debentureholder, 2. Interest, 3. Debenture certificate, 4. Debentures, 5. Debenture Redemption Form, 6. 6
- J)** 1. c) Board meeting, a) Board Resolution, b) Allotment of Debentures.
2. c) Board meeting, b) Allotment of Debentures, a) Interest warrant

CHAPTER 8 : CORRESPONDENCE WITH DEPOSITORS

- Q.1 A)** 1. Creditors, 2. Short term, 3. 36, 4. 6, 5. Short term, 6. Working, 7. Board of Directors, 8. Fixed, 9. Interest
- B)** a. 4. Creditors, b. 1. fixed, c. 5. Evidence of deposits

- C)** 1. Interest, 2. Interest Warrant, 3. Fixed Deposit Receipt, 4. Repayment of Deposit, 5. 36 months,
- D)** 1. True, 2. True, 3. False, 4. False, 5. True, 6. False
- E)** 1. Dividend, 2. Depository
- F)** 1. Creditors, 2. Secretary, 3. Short, 4. 6 (six), 5. Interest
- G)** a. Depositor 1) Creditor of the company
b. Return on Deposits 2) Interest
c. 36 months 3) maximum period of deposits
d. Minimum Period of Deposits 4) 6 months
- I)** 1. Creditors, 2. external, 3. Short, 4. Interest
- J)** 1. b. Acceptance of Deposits, c. Deposit Receipt, a. Renewal of Deposit
2. c. Acceptance of Deposits, b. Deposit Receipt, a. Payment of Interest.

CHAPTER 9 : DEPOSITORY SYSTEM

- Q.1 A)** 1. Paper, 2. Physical, 3. Electronic, 4. Depository, 5. Stamp Duty, 6. 1996, 7. multi, 8. Issuer, 9. NSDL, 10. Beneficial Owner, 11. Fungible, 12. ISIN, 13. NSDL, 14. Company, 15. Investor, 16. NSE, 17. BSE
- B)** a - 6) Problem faced in physical mode, b - 12) 1996, c - 2) A 12 Digit code, d - 8) connects Depository and Investors, e - 4) Second Depository in India, f - 10) Custodian of securities in electronic form, g - 14) The investors.
- C)** 1. Physical mode, 2. Depository, 3. Depository, 4. Depository, 5. NSDL, 6. Germany, 7. BO, 8. DP, 9. Demat, 10. Remat, 11. Fungibility, 12. ISIN.
- D)** 1. True, 2. True, 3. True, 4. False, 5. False, 6. True, 7. True, 8. True, 9. True, 10. True, 11. True, 12. True,
- E)** 1. Elimination of storage of certificate, 2. NBFC, 3. RBI, 4. State Govt., 5. Central Govt., 6. PPF
- F)** 1. Depository, 2. Depository/Depository system, 3. 1947, 4. 1996, 5. DP, 6. DP, 7. Demat, 8. Remat, 9. Depository, 10. ISIN, 11. NSDL.
- G)** (i) a. Dematerialisation 1) physical to electronic
b. Agent of Depository 2) DP
c. First Depository of World 3) Germany
d. CDSL 4) 1999
- (ii) a. First Depository in India 1) NSDL
b. Electronic to physical 2) Rematerialisation
c. Fungibility 3) No distinctive number
d. 12 digit code 4) ISIN

- I)** 1) Physical, 2) Physical, 3) Depository, 4) Electronic/ Depository, 5) Multi, 6) SEBI Act, 7) DP, 8) Electronic, 9) Securities, 10) RBI
- J)** 1. b) Open Demat Account, c) Submit DRF, a) Gets Statement of Accounts
2. a) Investor (BO) submits application for securities to issuer company, c) Issuer company gives details of allotment to Depository, b) Depository intimates the DP about crediting BO's Account.

CHAPTER 10 : DIVIDEND AND INTEREST

- Q.1 A)** 1. Shareholder, 2. Dividend, 3. BOD, 4. BOD, 5. Shareholder, 6. Capital, 7. 05, 8. 30, 9. Equity share, 10. Preference, 11. Dividend 12. Central Govt., 13. Interim, 14. Interest, 15. Interest,
- B)** (I) a - 2) Appropriation of profit, b - 5) Obligatory to pay, c - 6) Decided and declared by the Board of Directors, d - 7) Decided by Board; declared by members. e - 1) Equity shareholders.
(II) a - 3) Registered shareholders, b - 2) Creditors, c - 4) Balance of unpaid Dividend Transferred here, d - 7) Unpaid/Unclaimed Dividend, e - 1) Must inform stock exchange about Dividend declaration
- C)** 1. Dividend, 2. AGM, 3. Listed Company, 4. Preferences shareholder, 5. Equity shareholders, 6. Dividend Mandate, 7. 30 days, 8. Interim Dividend, 9. Interim Dividend, 10. Interest,
- D)** 1. True, 2. True, 3. False, 4. True, 5. True, 6. False, 7. False, 8. False, 9. True, 10. False
- E)** 1. Interest, 2. Out of Capital, 3. Dividend mandate, 4. Dividend Mandate
- F)** 1. Dividendum, 2. Registered shareholders, 3. BOD, 4. Cash, 5. AGM, 6. Capital, 7. BOD, 8. Preference shareholders, 9. 30 days, 10. Articles of Association, 11. Interest
- G)** (I) a. Dividendum 1) Latin term
b. Interest 2) Creditors
c. At AGM 3) Final Dividend
d. At Board Meeting 4) Interim Dividend
e. Govt. Fund 5) IEPF
- (II) a. Preference Shares 1) Fixed rated Dividend
b. Equity shares 2) Fluctuating rated Dividend
c. Deposit holders 3) Interest
d. Within 30 days 4) payment of Dividend
e. Unpaid / Unclaimed Dividend 5) Dividend Declared but not paid / claimed

- I)** 1. Registered shareholder, 2. Creditors, 3. Interim, 4. Ordinary Resolution, 5. 30 days, 6. 05 days, 7. Interest, 8. Equity, 9. Equity, 10. Interest
- J)** 1. b) Checking sufficiency of profits,
c) Board Meeting,
a) Recommendation of Dividend
2. a) Transfer to Dividend Account,
c) Transfer to Unpaid Dividend Account,
b) Transfer to IEPF.
3. b) Intimate Stock Exchange of Board Meeting,
c) Intimate Stock Exchange of declaration of dividend,
a) Closure of Register of Members.
4. a) Decision on Rate of Dividend,
c) Payment of Dividend,
b) Transfer to IEPF.
5. c) Authorization of Articles of Association,
b) Board meeting deciding and declaring Interim Dividend,
a) Payment of Interim Dividend.

CHAPTER 11 : FINANCIAL MARKET

- Q.1 A)** 1) Financial securities, 2) Commercial bills, 3) Short, 4) Treasury Bills, 5) Capital market
- B)** a) - 5) Trading of Financial securities, b) - 4) short term fund.
c) - 2) New Issue Market d) - 7) Unsecured promissory note.
- C)** 1) Financial Market, 2) Capital Market, 3) Money market,
4) Call money/Notice money, 5) Treasury Bill, 6) Primary market/New issue market
- D)** 1. False, 2. False, 3. True, 4. True, 5. True, 6. False, 7. False
- E)** 1. Shares, 2. Commercial paper, 3. Call Money Market.
- F)** 1. Short, 2. Commercial Bills, 3. Certificate of Deposit, 4. Primary/New Issues, 5. One.
- G)** a. Money market 1) Funds for short term
b. Zero risk instrument 2) Treasury Bill
c. Funds for long term 3) Capital market
d. Buying and selling of existing securities 4) Secondary market
- I)** 1. Secondary 2. Primary, 3. Capital, 4. Money.

- Q.1 A)** 1) Securities, 2) BSE, 3) Jobber, 4) bear, 5) day trading
- B)** a) - 4) To protect interest of investors in securities market.
 b) - 3) Buying and selling within the same trading day.
 c) - 1) Expects the price of shares rise in future.
 d) - 2) Expects the price of shares fall in future.
 e) - 6) One of the oldest stock exchange in india.
- C)** 1) Share Market/stock exchange/stock market 2) Bombay stock exchange, 3) Jobber, 4) Bull
- D)** 1. True, 2. True, 3. False, 4. False
- E)** 1. Bombay Stock Exchange, 2. National Stock Exchange, 3. Broker 4. Bear
- F)** a. Regulation of Capital Market 1) SEBI
 b. Index of NSE 2) Nifty
 c. Jobber 3) Trades in securities in his own name
 d. London Stock Exchange 4) Oldest Stock Exchange in the world.
- H)** 1. Investors 2. Jobber 3. Bull
 4. stag 5. Capital



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