

TEST

## SP MCQ 2

### QUESTIONS

SECTIONS

1. Section A - 20 Questions

#### Section 1 : Section A - 20 Questions

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1 When the population is increasing at high rate, certain manufacturers find this as an opportunity to .....business

- close
- expand
- contract

Correct: +1

2 ..... is paid on borrowed capital.

- Interest
- Discount
- Dividend

Correct: +1

3 The gap between two calls should not be less than .....

- 14 days
- One month
- 21 days

Correct: +1

4 The contract between company and Debenture trustees of companies is called as .....

- Debenture trust deed
- Letter of offer
- Prospectus

Correct: +1

5 Private company can accept deposits from its member or Directors upto not more than ..... % of its aggregate of paid-up share Capital and free reserves.

- 100

35

25

Correct: +1

6 Dividend is paid out of .....of the company.

Capital

Building Fund

Profit

Correct: +1

7 Borrowed Capital is provided to the company by.....

Equity shareholder

Debenture holder

Preference shareholder

Correct: +1

8 A company cannot accept deposit for less than .....months.

6

3

5

Correct: +1

9 Depository Act was passed in.....

1919

1996

1999

Correct: +1

10 ..... holders get dividend from residual profits.

Equity share

Preference share

Debenture

Correct: +1

11 Financial market is a market in which people trade .....and derivatives at low transaction costs.

Gold

Financial securities

Commodities

Correct: +1

**12** A stock exchange is where stock brokers and traders can buy and sell.....

- gold
- securities
- goods

Correct: +1

**13** Bombay Stock Exchange is the oldest stock exchange in India

- True
- False

Correct: +1

**14** Primary market is also known as new issue market

- True
- False

Correct: +1

**15** Dividend is decided by the shareholders

- True
- False

Correct: +1

**16** Physical mode of holding securities is risky

- True
- False

Correct: +1

**17** Return of deposit must be filed every year on or before 31<sup>st</sup> March

- True
- False

Correct: +1

**18** Company has to create a charge on its assets when it issues secured debentures

- True
- False

Correct: +1

**19** Only fully paid-up shares can be forfeited.

True

False

Correct: +1

1. ~~20~~Equity share capital is known as venture capital.

True

False

Correct: +1

TEST

## SP MCQ 2

### ANSWERS

SECTIONS

1. Section A - 20 Questions

#### Section 1 : Section A - 20 Questions

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- 1 expand
- 2 Interest
- 3 One month
- 4 Debenture trust deed
- 5 100
- 6 Profit
- 7 Debenture holder
- 8 6
- 9 1996
- 10 Equity share
- 11 Financial securities
- 12 securities
- 13 True
- 14 True
- 15 False
- 16 True
- 17 False
- 18 True
- 19 False
- 20 True