

TEST

Chapter 3 Issue of Share

QUESTIONS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

1 refers to capital made up of Equity and preference shares

- Share capital
- Debt capital
- Reserve fund

Correct: +1

2 means shares are offered to the public

- Rights Issue
- Private Placement
- Public Issue

Correct: +1

3 is offered to existing equity shareholders.

- IPO
- ESOS
- Rights Issue

Correct: +1

4 Bonus shares are issued free of cost to

- existing Equity shareholders
- existing employees
- Directors

Correct: +1

5 The have the power to allot shares

- Director
- Board of Directors

Company Secretary

Correct: +1

6 Letter of is sent to applicants who have been given shares by the company

- Regret
- Renunciation
- Allotment

Correct: +1

7 The gap between two calls should not be less than

- 14 days
- One month
- 21 days

Correct: +1

8 Voluntarily giving away one's share to another person is called as of shares

- Transfer
- Transmission
- Surrender

Correct: +1

9 of shares takes place due to operation of law

- Forfeiture
- Allotment
- Transmission

Correct: +1

10 The member transferring shares is called as transferor.

- True
- False

Correct: +1

11 Allotment of shares must be done within one month of receipt of application money

- True
- False

Correct: +1

12 Sweat Equity shares are offered to Directors or employees of a company

- False

True

Correct: +1

13 Bonus Shares are issued at a discounted price to the Equity shareholders

False

True

Correct: +1

14 Calls not paid by shareholder are called as calls in arrears

True

False

Correct: +1

15 Choose The correct pair for – Death of Partner

Transmission of shares

Surrender of shares

Transfer of share

Correct: +1

16 Choose The correct pair for – ESPS

Offered to existing employees

Forfeiture of share

Offered to existing Equity shareholders

Correct: +1

17 Choose The correct pair for – Regret Letter

Allotment of share

Non-allotment shares

Forfeiture of shares

Correct: +1

18 Choose The correct pair for – Issued capital

Maximum capital a company can rise

Capital offered to public to subscribe

First time issue of shares

Correct: +1

19 Choose The correct pair for – FPO

Non-Payment of calls

- Operation of Law
- Any issue after IPO

Correct: +1

20 Bonus Shares

- Free shares issued to existing equity shareholders
- First time issue of shares
- Offered to existing employees

Correct: +1

TEST

Chapter 3 Issue of Share

ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 Share capital
- 2 Public Issue
- 3 Rights Issue
- 4 existing Equity shareholders
- 5 Board of Directors
- 6 Allotment
- 7 One month
- 8 Transfer
- 9 Transmission
- 10 True
- 11 False
- 12 True
- 13 False
- 14 True
- 15 Transmission of shares
- 16 Offered to existing employees
- 17 Non-allotment shares
- 18 Capital offered to public to subscribe
- 19 Any issue after IPO
- 20 Free shares issued to existing equity shareholders