

TEST

Chapter 2 Sources of Corporate Finance

QUESTIONS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

1 _____ is a smallest unit in the total Share capital of the company

- Debenture
- Bonds
- Share

Correct: +1

2 A person who purchase shares of a company is known as _____ of the company

- Shareholder
- bond holder
- creditor

Correct: +1

3 _____ of a share is mentioned in the Memorandum of Association.

- Face Value
- Issue Price
- Market Value

Correct: +1

4 _____ Participate in the Management of their company

- Preference Shareholders
- Depositors
- Equity Shareholder

Correct: +1

5 The holder of preference share has right to receive _____ rate of divided.

- Fixed
- Fluctuating

Lower

Correct: +1

6 Convertible, debentures are converted into _____ after a specific period

- Equity Shares
- deposits
- Bonds

Correct: +1

7 Debenture is a promise by company that it owes, specified sum of money to holder of debenture on the due date of maturity as mentioned on the _____.

- bond
- Divided
- Debenture certificate

Correct: +1

8 Debenture holders are _____ of the company

- Owner
- Creditors
- Suppliers

Correct: +1

9 Debenture holders get fixed rate of _____ as return on their investment

- Dividend
- discount
- Interest

Correct: +1

10 Choose Correct pair – Debenture Trustees

- bold Investor
- Trust Deed
- Agreement

Correct: +1

11 Choose Correct pair – Preference Shareholders

- Cautious Investor
- Venture Capital
- Safe Capital

Correct: +1

12 Choose Correct pair – Debenture Certificate

- Instrument of debt
- Agreement
- Document of Ownership

Correct: +1

13 Choose Correct pair – Face value of debenture

- ₹ 100 or in multiples of ₹100
- Payment of interest to bearer
- Floating charges on assets

Correct: +1

14 Choose Correct pair – Dividend

- Floating Charges on Assets
- Return on shares
- Debenture

Correct: +1

15 Choose Correct pair – An Agreement with trustees

- ADR & GDR
- Trust Deed
- No voting rights

Correct: +1

16 Choose Correct pair – Dividend coupon

- Power of board of Directors to issue debentures
- Public Limited Company
- Payment of interest to bearer debenture

Correct: +1

17 The type of debenture having charges on the assets of the company

- Unsecured Debenture
- Secured Debenture
- Convertible Debenture

Correct: +1

18 The Depository Receipt traded in country other than USA.

GDR

ADR

Correct: +1

19 The credit facility provided to a company having current account with bank.

Bank loan

Cash loan

Overdraft

Correct: +1

20 The authority who can issue debenture according to the Companies Act 2013, Section 179 (3).

Board of Directors

Shareholder

Secretary

Correct: +1

TEST

Chapter 2 Sources of Corporate Finance

ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 Share
- 2 Shareholder
- 3 Face Value
- 4 Equity Shareholder
- 5 Fixed
- 6 Equity Shares
- 7 Debenture certificate
- 8 Creditors
- 9 Interest
- 10 Trust Deed
- 11 Cautious Investor
- 12 Instrument of debt
- 13 ₹ 100 or in multiples of ₹100
- 14 Return on shares
- 15 Trust Deed
- 16 Payment of interest to bearer debenture
- 17 Secured Debenture
- 18 GDR
- 19 Overdraft
- 20 Board of Directors