प्र.क्र.
Q. No.

Q.1 Complete the following sentenses

(1) The process of converting raw materials into finished goods is called Production cycle

(2) Shares issued free of cost existing equity share holdee is called Bonus shares

(4) Payment of dividend must be completed with 30 days

(5) funds borrowed and lent in money market are for short term term.

3) Premature repayment of deposit can be done by a company but not before 3 months

(B) match the pairs.

Group 'A'	Answers
1) Preference shareholders	Cautions investors.
(2) Debentures	Interest
(3) Depository	Custodian of securities in electric form
(4) Interim dividend	Decided and declared by the Board of director

No. SEBI | Investment Institutions.

(C) find odd one.

(1) Debenture capital

(2) Demat letter credit rating

(4) Statutory meeting

(5) In Demat

5) Insurance companies

D) True or false

1) Equity shareholders get dividend at fixed rate.
R. False.

2) Floor price is the highest bid price under Book building method.
False

3) ~~Interest warrant, Dividend warrant, Demat~~
3) Deposit receipts is issued within 21 days of receipts of deposits.
True

4) The debenture holder of the company are paid interest every year.

→ True

5) financial market contributes towards the nation's economic growth and development.

→ True

Q.2 Explain the terms.

1) financial market :-

The market where financial assets ie. financial institutions are sold and purchase is called as financial market. financial market helps in mobalisation of market eg. shares, bonus, debenture etc. are the financial Instruments.

2) Debenture holder :-

Debenture holders are creditors of the company. They received Interest as return on Investment. They have less risk as they get back their capital prior to shareholders in case of winding up on the company.

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Q. 3 1) Study the case

1) It will ~~m~~ need more working capital.

2) No, It will need more working capital.

3) The Bombay Electricity supply & transport (BEST)

2) (1) Yes. ABC company ltd. can accept the deposit in joint names.

(2) Yes, ABC company ltd, is an eligible public company as per company act 2013, can accept

(3) Yes ABC company ltd. can issue the secured deposits by creating charge over their tangible assets.

Q. 4 Distance between.

1) Initial public offer further public offer.

IPO	FPO
Meaning. IPO means offering the securities by an unlisted public company to the public at first time	FPO refers to an offer to securities by a listed public company to the public for sale after IPO to raise additional capital

Type of issuer company	
2) An unlisted public company issues securities through IPO.	A listed public company issues securities through FPO.
3) when issued.	
~~when~~, It is generally issued by the newly incorporated company which wants to collect capital from the public at first time.	It is generally issued by further if ~~..~~ they needed capital for the company after the issued of IPO.
Order of issue.	
IPO is done before the FPO. In IPO the company first time sales the shares to the public	FPO is undertaken after the IPO. FPO is the all subsequent sale of shares to the public.

4) final dividend & Interim dividend.

final Dividend	Interim dividend.

Final dividend	Interim dividend
meaning	
1) Dividend which is declared and paid after the conclusion of the financial year is called final dividend.	Dividend which is declared and paid between two consecutive Annual General meeting of the company is called interim dividend
2) who declares	
final dividend is declared as per the recommendations made by the board of director.	Interim dividend is decided and declared by the Board of directors by passing a resolution in articles of ~~auth~~ ... so authorise
3) when declared?	
final dividend is declare after conclusion of the financial year at the annual general meeting.	Interim dividend is declared in between two consecutive annual general meetings.
Rate.	
Rate of dividend is higher than interim dividend	Rate of dividend is lower than final dividend

3) Money market & capital market.

Money Market	Capital market
1) Meaning	
money market where short term ~~loans~~ funds are borrowed and lent is called money market.	financial market where medium term and long term funds are borrowed and lent are called capital market.
Time period.	
In money market, Instruments bought and sold here maturity period of one year or less than one year	In capital market instruments bought and sold here maturity period of more than one year.
Risk In money market, the price of the instruments remain stable and maturity period of instrument is less it carry low risk	In capital market, instrument are of long term and subject to market fluctions it carries high risk.

Q.5 Answer the brief.

1) Accepting deposits from the public or from its ~~owner~~ members is one of the source of raising fund from a company deposits are short term loan taken by a company we can accept deposits from ~~bom~~ b member accept by private, public 4 eligible company and In case of public we can accept deposit by eligible public company and the government company. There are some terms and conditions to accept deposits.

2) Employee stock exchange scheme is ESOS, under this scheme, permanent employees Director or officers of the company or its holding company or subsidiary company are offered the benefit or right to purchase the equity shares of the company at a future date at a predetermined price.

These scheme is under the act 200 Sec 2 (15-A) ESOS encourage employees as they feel proud to be owners of the company.

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Q. 6 Justify

1) 1) Equity shares bearer maximum risk in the company. They are disribe or shock absorber when company has financial crisis.
2) If the income of the company falls the rate of dividend also comes down due to this market value of equity shares come down resulting into capital loss.
3) Thus equity shareholder are main risk taker.

2) 1) Capital market is the market of lending and borrowing of the long term loan.
2) There is very high risk as compare to to the money market because of long term maturity period.
3) The maturity period of capital market is more than one year.
4) As per SEBI, capital market is a market for long term debt and equity shares market
5) Thus the capital market is useful for corporate sector.

Q. No.

Q. 7 Attempt the following

Sona Industries ltd
Reg. off. 305, New MIDC, Usha Tower,
Aurangabad -431001
CIN : L34208 MH2008 PLC20921065

Phone : 022-25232628 website : www.sonaltd.com
fax : 022 -023467 Email :- sona@gmail.com
Date : 16^{th} oct 2018.

Ms. Yutika shah
125, Nutan Nagar.
Yuth road,
Pune -411038

Sub :- Issue of Bonus shares

Dear madam,
I am directed by the board of directors to inform you that in accordance with the resolution passed in the Extraordinary general meeting held on 14^{th} oct 2018. They discuss that to issue of bonus share at the ratio 1:1. The details are following

No. of shares held on record date	No. of bonus shares Issued allotment	D.P. ID No.	client ID	date of credit to demat
25	25	IN123456	11110256	31-10-20

Thanking you

Yours faithfully
sign
Mr. Joshi

Shree Marble ltd
Reg. off. 31/2, Aachal Tower, shreebharan
Aurangabad - 431001
CIN - L34508 MH2011 PLC311025

Phone 024023462
fax. 0240291430
ref. S/DH/13/19-820

web: www. swartikmarble.com
Email: swastik@gmail.com
Date 10th Nov 2019

Mrs Arpita Raje
25, Nayan peth.
Aurangabad - 431001

Sub: Redemption of debentures.

Dear madam,

This is to inform you that 1,00,000, 10% Non-convertible denbentures issued in may 2014 are due for redemption on 12th Nov. 2019 According to the Board Resolution No. 3462, passed at the board meeting held on 8th october 2019, Debenture shall be redeemed out of debenture Redemption Reserve fund of the company

You are requested to provide us your bank A/c details

Thanking you.

Yours faithfully,
for Shri marble ltd.

sign
mrs shanti singh
CS.

Q. 8

i) Importance of corporate finance are following

1) Helps in decision making :-
Most of the important decision of the business enterprise are determined on the basis of availability of funds. It is difficult to perform any function of business enterprise.

2) Helps in raising capital
Whenever a business firm wants to start a new venture, it needs to raise capital business firm can raise fund by issuing shares, debentures, bonds or even by taking loan.

3) Help to smooth running :-
A smooth flow of corporate finance is needed so that the salaries of employees are paid on time. loans are cleared on time, raw materials is purchase whenever required. sales promotion of existing product is carried out smoothly.

4) Managing risk :- Company has to manage several risks. such as sudden fall in sales loss due to nature calamity. loss due to strike etc.

5) Replace old assets :-

Assets such as plant & machinery become old and outdated over the years. They have to be replaced by new assets.

6) Payment of dividend and Interest

finance is needed to pay dividend shareholders interest to creditors, banks, etc.

7) Payment of taxes :-

Company has to pay taxes to the government such as Income tax, goods and service tax (GST) and after to registration of companies on various occasions finance is ~~face~~ needed for paying these taxes & fees.