name:- Reena Chhatrapati Mackre.

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Q.1. A)

1. Trading equity means use of borrowed capital for financing a firm.

2. A Share is an indivisible unit of share capital.

3. Debenture capital is a borrowed capital of a company.

4. The board of director recommend the final dividend.

5. The market where existing securities are resold or traded is called ~~security~~ secondary market.

B).

Group A	Ans
1. Fixed capital →	investment in fixed assets.
2. overdraft facility →	current account.
3. share certificate →	registered documents.
4. Debentures →	creditors.
5. return on shares. →	dividend.

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c)

1. → global depository receipt.

2. → transmission of shares.

3. → ~~divid~~. final dividend.

4. → interest.

5. → stock exchange.

D)

1. → NBFC.

2. → RBI.

3. → PPF.

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(4)
→ state government.

(5)
→ DP

Q.2.

(1) charge on assets.
→ company has to create a charge on the assets of the company or its subsidiary company or holding company the value of charge should be sufficient for the repayment of the amount of debentures and interest thereon. If a government company issues secured debentures which has central or state government's guarantee, then it need not create any charge on its assets.

(2) bonus shares
→ Bonus ~~share~~ issues refers to the fully paid up shares given to its existing equity shareholders without any cost, based upon the number of shares they are own. It is given at free of cost.

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(4) Debenture holders

→ Debenture are debt instruments issued by a company to raise capital. The registered holders of such debentures are called debenture holders. The debenture holder is a creditor of the company. They get a fixed rate of interest for the amount they have interest in the debentures.

(5) Stock exchange

→ Stock exchange is a specific place where various securities are bought and sold. The securities include equity shares, preference share, debenture, government securities and bonds, units of mutual funds, etc. Stock markets act as intermediaries between investors and borrowers and are regulated by SEBI

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Q.3.

(1)

a) → No, interim dividend cannot be paid out of free reserves. Interim dividend is declared out of profits of the current ~~yea~~ accounting year.

b) → Yes, the board of directors has the power to decide and declare the same at the board meeting.

c) → Yes, the company should distribute the interim dividend within 30 days of its declaration.

(2)

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(2)

a) → He can transfer one share each to his wife, daughter, and son if they also have a demant account.

b) → A DRF is a demat requisition form. the shares held by mr. R are already in demat form. so he has to submit DIS i.e delivery instruction slip to transfer his shares to his family.

c) → every depositor at any times has the right to nominate any person as a nominee in the event of his / her death, so mr. R can nominate his wife.

Q.4.

(1)

→

Shares	Debenture
(1) meaning	
A companies owned capital which is split into large number of equal parts each such parts is called as shares.	Debenture is an acknowledgement of debt. It is a source of borrowed capital.

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(2) Return on investment

monetary return on shares is called as dividend and it is paid at fluctuating rate	monetary return on debenture is called as interest and it is paid at a fixed rate.

(3) Status of holders

the shareholders are the owners of the company.	Debenture holders are the creditors of the company.

(4) market value

market values of the shares keep changing as per the finan-cial condition of the company.	market value of the debentures remain constant.

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2)

transfer of shares	transmission of shares
① meaning	
transfer is a usual action of passing the ownership of shares to another person by the member voluntarily. (not compulsory)	transmission is done in case of death, lunacy (madness) or insolvency of a member by passing the ownership of shares to the legal representative
② nature	
transfer is done voluntary by the member	it is compulsory action taken in case of death insolvency or lunacy of a member.
③ who is the transferee	
shares can be transferred to any person.	shares are transmitted to legal representative only.

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(4)

money market	capital market
~~(1) meaning~~	
(1) time span of securities	
money market deals in the trading of short term securities wherein, the maturity period can vary from one day to a maximum of one year.	capital market mainly deals in the trading of medium and long term securities wherein, the maturity period is more than one year.
(2) return expected	
expected returns are higher due to the possibility of a capital gains in long term and regular dividend or bonus	expected returns are lower due to shorter duration.
(3) instruments	
equity shares, preference shares, debentures, bonds and other long term securities.	treasury bills, commercial ~~paper~~ bills, certificate of deposit

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Q.5.

(i)

→ (1) trading only through members and stock exchange.
securities can be traded only by the members of the exchange on their own behalf or through authorised brokers.

(2) specific location.
the stock exchange is a specific physical place where brokers and intermediaries meet to trade in securities.

(3) organised and regulated market.
all companies listed on the stock exchange have to comply with the guidelines of SEBI

(4) second hand securities
the securities that are traded on the stock exchange are those sequrities that are already issued by the companies.

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(3)

(1) registration of prospectus

'Copy of prospectus should be filed with ROC or copy of statement in lieu of prospectus if capital was raised privately.

(2) application money

minimum of 5% of the face value of shares should be taken by company as application money.

(3) minimum subscription

allotment of shares cannot begin if minimum subscription of 90% of issued capital is not collected.

(4) Deposit of application money.

the application money remains with the specially opened account with a scheduled bank in share application money a/c cannot be withdrawn by company.

(5) oversubscription

SEBI nominee be appointed to assist in allotment when there is oversubscription to decide on criteria and refunding.

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Q.6.

(1)

→ equity share are ordinary shares. these are the shares that constitute the major part of the total share of the the company. the person holding equity share is known as equity share holders..

equity share hoders are the real owner of the company and bear the ultimate risk associated with ownership. thus is is rightly justified that equity shareholders are the real owners and controller of the company.

Q.7.

Q.7.
①
→

BALAJI INDUSTRIES LIMITED
Registered office: 45/A, maharaj complex, panchwati
nashik - 422003
CIN: 156002 MH2000 PLC 403633

Phone: 400-09642562 website: www.Balajilimited.com
fax : 400-05652123 email: Balaji@gmail.com
Ref. no: D/DH/1819-20 Date: 21th may, 2019

Mr. sanjiv kapoor
230, Dwarka karaja road
nashik - 422036.

~~Dear sir~~ sub: Allotment of Debentures.

Dear sir,

in response to your application no. 018013 dated 30th April, 2019. I am directed by ~~you~~ ~~bea~~ the board of directors to inform you that you have been allotted 100, 10% non-convertible secured debentures of ₹ 100/- each. The tenure of debentures is for 5 years.

These debenture are allotted to you as per board resolution passed at board meeting held on 16th may, 2019 ~~boar~~. as per terms and conditions of articles of association of the company and debenture trust deed.

thanking you,

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Yours faithfully
For balaji industrie limited

sign.
mr. satish naru
company secretary

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