INDIAN SCHOOL AL WADI AL

Class: XI	**Department: Commerce**
Subject: BST	**Sources of Finance**
Worksheet: 01	**MCQ's**

1. Money obtained by issue of shares is known as ____________
   (a) Debts
   (b) Share Capital
   (c) Loans
   (d) Reserve Funds
2. _____________ was the first company in India to issue convertible zero interest debentures in January 1990.
   (a) Mahindra and Mahindra
   (b) Adani Enterprise
   (c) Tata Motors
   (d) Reliance Limited
3. Which of the following is a commercial bank?
   (a) State Bank of India
   (b) Canara bank
   (d) Punjab National Bank
   (d) All of these
4. Internal sources of capital are those that are
   (a) generated through outsiders such as suppliers
   (b) generated through loans from commercial banks
   (c) generated through issue of shares
   (d) generated within the business
5. The ordinary shares of a company are delivered to the depository bank, which in turn issues the depository receipts, known as ________
   (a) Commercial banks
   (b) ADR
   (c) None of these
   (d) GDR
6. Unit Trust of India was established by ____________
   (a) ICICI
   (b) State Bank Group
   (c) Indian Government
   (d) HDFC Bank
7. ICICI was established in __________________
   (a) 1975
   (b) 1955
   (c) 1985
   (d) 1965
8. Expand ICICI
   (a) None of these
   (b) International Credit and Investment Corporation of India

(c) Indian Credit and Investment Corporation of India
(d) Industrial Credit and Investment Corporation of India

9. ADRs are issued in
(a) Canada
(b) China
(c) India
(d) USA

10. Expand ICICI
(a) None of these
(b) International Credit and Investment Corporation of India
(c) Indian Credit and Investment Corporation of India
(d) Industrial Credit and Investment Corporation of India

11. The maturity period of a commercial paper usually ranges from
(a) 20 to 40 days
(b) 60 to 90 days
(c) 120 to 365 days
(d) 90 to 364 days

12. Public deposits are the deposits that are raised directly from
(a) The public
(b) The directors
(c) The auditors
(d) The owners

13. Debentures represent
(a) Fixed capital of the company
(b) Permanent capital of the company
(c) Fluctuating capital of the company
(d) Loan capital of the company

14. Funds required for purchasing current assets is an example of
(a) Fixed capital requirement
(b) Ploughing back of profits
(c) Working capital requirement
(d) Lease financing

15. Equity shareholders are called
(a) Owners of the company
(b) Partners of the company
(c) Executives of the company
(d) Guardian of the company

16. Investors who want steady income may not prefer _____________
(a) None of these
(b) Debentures
(c) Equity Shares
(d) Bonds

17. Dividend is paid only on ____________
(a) Loans
(b) Debentures
(c) Bonds
(d) Shares

18. GDRs can be converted into shares ______________
(a) At any time
(b) After 5 years
(c) After 10 years
(d) After one year

19. State Industrial Development Corporations were established by ________
    (a) Ministry of Finance
    (b) None of these
    (c) Central Government
    (d) Different States
20. One of the demerits of loan from financial institutions is that, financial institution may put _________________in the board of directors of the borrowing company which restricts their power.

(a) Independent directors
(b) nominee directors
(c) experts
(d) auditors
21. Assertion (A): The control of the company is not diluted when they go for public deposits.

Reason(R): The depositors of company are given minor voting rights to keep their preference in consideration.

(a) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion.
(b) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion.
(c) The Assertion is correct but Reason is incorrect.
(d) Both the Assertion and Reason are incorrect.

22. Statement 1: Retained earnings involve any explicit cost in the form of interest, dividend or flotation cost.

Statement 2: Retained earnings are uncertain source of fund.

Alternatives:

(a) Statement 1 is correct and statement 2 is wrong.
(b) Statement 2 is correct and statement 1is wrong.
(c) Both statements are correct.
(d) Both the statements are incorrect.

23. capital Which of the following business require higher amount of fixed capital?

24. State the return given to debenture holders for using their funds.
25. Funds required for purchasing current assets is an example of
    (a) Fixed capital requirement
    (b) Ploughing back of profits
    (c) Working capital requirement
    (d) Lease financing
26. Risk capital is defined as which type of capital?