



# ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution

ANSWER SHEET - 27

CLASS – XI

SUBJECT – BSTD

CHAPTER 7 – Sources of Business Finance

DATE - 18.01.21

TOPIC – Loans and Public Deposits

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Multiple choice questions :

1. Retained earnings is \_\_\_\_\_ funds.

a) external source of funds **b) internal source of funds** c) borrowed funds d) mortgage funds

2. GDR stands for

**a) Global Depository Receipt** b) General Depository Receipt c) Gross Depository Receipt d) none of these.

3. Borrowed funds are

a) permanent source of capital **b) temporary source of capital** c) both a and b d) none of these.

4. The instrument for raising long term borrowed funds are

a) debentures b) bonds **c) both a and b** d) none of these.

5. Debt instruments issued by Central Government or State Government or Specialised Financial Institutions are called

**a) bonds** b) debentures c) shares d) loans.

6. Debenture holders

a) do not have voting rights b) cannot participate in management of the company **c) both a and b** d) none of these

7. IFCI is a

a) Commercial Bank b) Private Bank **c) Specialised Financial Institution** d) Government Financial Organisation .

8. Specialised Financial Institutions provide

a) short term loans b) long term loans c) medium term loans **d) both b and c .**

9. Asian Development Bank is a

**a) International Financial Institution** b) National Financial Institution c) Government Financial Institution d) Specialised Financial Institution

10. Loans from commercial banks

a) can be secured b) can be unsecured **c) both a and b** d) none of these.

11. An arrangement where by sellers sell raw materials components on credit basis is known as

a) overdraft b) cash credit **c) trade credit** d) discounting of bills.

12. Inter corporate deposit is for the time period of

a) maximum 4 months **b) maximum 6 months** c) maximum 8 months d) maximum 12 months.

13. When a company sells its accounts receivables at a discount to a factor, the process is known as

a) leasing b) hire purchase c) forfeiting **d) factoring.**

14. Which of the following can be converted into equity shares

a) debentures b) bonds c) preference shares **d) both a and c.**

15. Taking advantage of borrowed capital is called

a) trading on preference shares b) fund management c) fund analysis **d) trading on equity.**

By U James Riju