



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution

ANSWER SHEET - 26

CLASS – XI

SUBJECT – BSTD

CHAPTER 7– Sources of Business Finance

DATE - 16.01.21

TOPIC – Shares and Debentures

Multiple choice questions :

1. The term redeemable is used for

a) preference shares b) equity shares c) commercial papers d) public deposits.

2. Fixed capital requirement of a firm is for

a) purchasing of fixed asset b) procuring raw materials c) both a and b d) none of these.

3. Equity share holder are called ____ of the company.

a) partners b) executives **c) owners** d) guardian.

4. Equity shares are also known as

a) ordinary share b) common shares **c) both a and b** d) none of these.

5. Preference shares carry preferential rights in respect of

a) payment of dividend b) payment of capital **c) both a and b** d) none of these.

6. Equity shares issued to existing share holders first are called

a) right shares b) bonus shares c) interim shares d) none of these.

7. Paying dividend to equity share holders is

a) mandatory b) flexible **c) not mandatory** d) none of these.

8. Preference share holders

a) do not enjoy for voting rights b) enjoy voting rights c) can participate in management process d) all of these..

9. Highly profitable company shares of which has a market demand is known as

a) multinational company **b) blue chip company** c) domestic company d) none of these.

10. ADR stands for

a) American Depository Receipts b) Asian Depository Receipts c) African Depository Receipts d) none of these.

11. Shares issued to directors of a company due to his contribution to business are called

a) sweat equity shares b) bonus shares c) right shares d) none of these

12. Capital appreciation means

a) market price of shares more than issue price b) market price of shares less than issue price

c) both a and b d) none of these

13. Working capital requirement of a firm is used for

a) meeting day to day expenses b) purchasing land and building c) both a and b d) none of these.

14. Equity share holder have the right to

a) participate in the management process b) exercise their voting power **c) both a and b** d) none of these.

15. Huge accumulation of retained earnings may lead to

a) under capitalization **b) over capitalization** c) both a and b d) none of these.

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