



# ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution

WORK 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