QUESTION PAPER
SUB:-SECRETARIAL PRACTICE
CHAPTERS:-1,2,3,8,9,10
SET-A

DATE:-7TH SEP 2017   **MARKS:-40**

Q.1. (A) SELECT THE PROPER OPTION FROM THE OPTIONS GIVEN BELOW AND

REWRITE THE SENTENCES: **(4)**

(1)   Normally, **Finance Manager** gives advice to the Board of Directors in respect to financial matters.
A. Auditor   B. Secretary   C. Finance Manager.

(2)   Big retail stores require large amount of **working** capital.
A. fixed   B. working   C. loan.

(3)   Company with net worth exceeding **Rs. 1 crore** can accept public deposits.
A. 1 crore   B. 25 lacs   C. 50 lacs.

(4)   A Depository Receipt traded in **USA** is called 'American Depository Receipt'.
A. London   B. Japan   C. USA.

(B) **MATCH THE CORRECT PAIRS:** (2)

GROUP A	GROUP B
(1) Fixed capital (2) Equity share capital	(a) Borrowed fund. (b) Owner of the company. (c) Permanent capital. (d) Owned fund.

Ans: 1-(d), 2-(c).

(C) **WRITE A WORD OR A TERM OR PHRASE WHICH CAN SUBSTITUTE EACH OF THE FOLLOWING STATEMENTS:** (4)

(1) The basic principle of business activities that aims at profit. **:- Profit maximization.**

(2) A bond on which no interest is paid but issued at discount. **:- Zero Coupon Bonds.**

(3) A document which is an invitation to general public to subscribe for shares of company.
     -:Prospectus.

(4) A letter informing the applicant that the shares have not been allotted to him. **:- Regret Letter.**

Q.2. **DISTINGUISH BETWEEN THE FOLLOWING (ANY 2):** (10)

(1)Transfer of sharers and Transmission of shares. **(Pg-56,Q-2)**

(2)Shares and Debentures. **(Pg-24,Q-1)**

(3)Fixed Capital and Working Capital. **(Pg-10)**

(4)Overdraft and loan.

Overdraft	Loan
(1)Meaning	
It is a temporary loan facility provided to the current account holders to overdraw a specific sanctioned amount for a specific period.	It is an amount sanctioned/advanced by a bank for specific period.
(2)Sanction	
Overdraft is sanctioned only to current account holders.	Loan is sanctioned for business purpose to all account holders.
(3)Parties	
Interest is charged only on the actual amount overdrawn by account holder.	Interest is charged on the full/entire sanctioned amount i.e. loan amount.
(4)Security	
Overdraft is provided without security.	Loan is sanctioned against security of account holder.
(5)Purpose	
Overdraft facility is useful for working capital as temporary loan facility is promptly provided.	Loan is sanctioned for medium, long term. So it is useful for providing fixed capital or buying securities.
(6)Types	

There aren't any type of overdraft. It is for short period i.e. 3 months,6 months.	There are three types of loan : short term, medium term, long term loan i.e. for 3 years, 7 years, 10 years.

Q.3. **STATE WITH REASONS WHETHER THE FOLLOWING STATEMENT ARE TRUE OR FALSE (ANY 1):** **(5)**

(1) It is not possible to go ahead without a financial plan. **(Pg-14,Q-4)**

(2)A share certificate is a bearer document. **(Pg-59,Q-4)**

Q.4. **WRITE NOTES ON (ANY 1):** **(5)**

(1)Draft a letter to debenture holder informing him about redemption
of debentures. **(Pg-117)**

(2)What is a debenture? State the characteristics of debentures. **(Pg-22)**

Q.5. Draft a letter of allotment to a share applicant. **(Pg-96)** **(10)**

Or

What is equity shares? Describe the features of equity shares. **(Pg-18)**