



BOARD QUESTION PAPER : JULY 2022

SECRETARIAL PRACTICE

Time: 3 Hrs.

Max. Marks: 80

- Note:** (1) All questions are compulsory.
 (2) Figures to the right indicate full marks for the questions.
 (3) Figures to the left indicate question numbers.
 (4) Answer to every question must be started on a new page.

Q.1. (A) Select the proper option from the options given below and rewrite the sentences: (5)[20]

- (1) _____ refers to any kind of fixed assets.
 (a) Authorised Capital (b) Issued Capital (c) Fixed Capital
- (2) The holder of bond is _____ of the company.
 (a) secretary (b) owner (c) creditor
- (3) _____ protects the interest of debenture holders.
 (a) Debenture trustees (b) Debenture holders (c) Redemption reserve
- (4) Dividend is recommended by _____.
 (a) Board of Directors (b) Shareholders (c) Depositors
- (5) Money market is a market for lending and borrowing of funds for _____ term.
 (a) short (b) medium (c) long

(B) Write a word / term / phrase which can be substituted for each of the following statements: (5)

- (1) The value of share which is written on the share certificate.
- (2) Highest bid price in Book Building Method.
- (3) Company which can accept deposits from public upto 35% of its paid-up share capital and free reserves.
- (4) The shareholders who get dividend at a fluctuating rate.
- (5) The first stock exchange in India to be recognized under the Securities Contracts Regulation Act.

(C) State whether the following statements are true or false: (5)

- (1) Fixed capital is also referred as circulating capital.
- (2) Sweat equity shares are offered to directors or employees of a company.
- (3) Payment of interest on debentures does not depend on the profits of the company.
- (4) IEPF is the fund created by company.
- (5) A stock exchange is a reliable barometer to measure the economic condition of a country.

(D) Select the correct option from the bracket: (5)

| | Group 'A' | | Group 'B' |
|-----|--------------------|-----|------------------------------|
| (a) | Secured debentures | (1) | _____ |
| (b) | _____ | (2) | Accumulated corporate profit |
| (c) | Depositor | (3) | _____ |
| (d) | _____ | (4) | Final Dividend |
| (e) | _____ | (5) | Capital Market |

(Retained earnings, funds for long term, charge on assets, At annual general meeting, Creditor of the company)

**Q.2. Explain the following terms / concepts (Any FOUR):****[8]**

- (1) Financial market
- (2) Final dividend
- (3) Deposit receipt
- (4) Employees stock option scheme
- (5) Owned capital
- (6) Working capital

Q.3. Study the following case / situation and express your opinion (Any TWO):**[6]**

- (1) Gold Ltd. Company has recently come out with its public offer through FPO. Their issue was oversubscribed. The Board of Directors now wants to start the allotment process.
 - (a) Is Gold Ltd. Company a listed company?
 - (b) How should the company inform the applicants to whom the company is allotting shares?
 - (c) Within what period should the company issue share certificate?
- (2) GCC financial plans to raise ₹ 10 crores by issuing secured, non-convertible debentures. However, as per the Articles of Association, the Board of Directors has authority only to raise upto ₹ 5 crores. They are also considering whether to go for private placement or make public offer. Please advise them on the following—
 - (a) What can be the maximum tenure of the debentures to be issued?
 - (b) Is the proposed issue within the borrowing powers of the Board?
 - (c) Within what period should the company issue Debenture certificate?
- (3) Mr “S” holds 50 equity shares of Peculiar Company Ltd. in Demat form. The company has issued Bonus shares in the ratio of 1 : 1 to its shareholders:
 - (a) Will Mr. “S” get Bonus shares in physical or Demat form?
 - (b) Who is entitled to Bonus shares: Mr “S” or the Depository (NSDL)?
 - (c) Will holding shares in Demat form result in quick transfer of these shares?

Q.4. Distinguish between the following (Any THREE):**[12]**

- (1) Rights shares and Bonus shares.
- (2) Dividend and Interest.
- (3) Transfer of shares and Transmission of shares.
- (4) Primary market and Secondary market

Q.5. Answer in brief (Any TWO):**[8]**

- (1) State the provisions for Rights Issue.
- (2) State any four factors affecting fixed capital requirement.
- (3) Explain four advantages of depository system to the company.

Q.6. Justify the following statements (Any TWO):**[8]**

- (1) Depository provides easy and quicker transfer of shares.
- (2) Stock exchanges work for the growth of the Indian economy.
- (3) Interest is a liability / obligation of the company.
- (4) Equity share capital is risk capital.

Q.7. Attempt the following (Any TWO):**[10]**

- (1) Write a letter to the member for the issue of share certificate.
- (2) Draft a letter of allotment to debentureholder.
- (3) Draft a letter to depositor informing him about payment of interest through Interest Warrant.

Q.8. Answer the following question (Any ONE):**[8]**

- (1) What is an equity share? Explain its features.
- (2) Explain the procedure for issue of debentures.