



INDIAN SCHOOL AL WADI AL KABIR

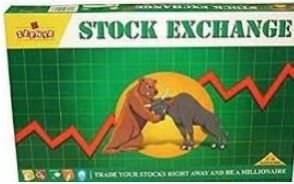
Class: XI	Department: Commerce
Worksheet :1	Topic: Sources of business Finance

1. Internal sources of capital are those that are
 - (a) generated through outsiders such as suppliers
 - (b) generated through loans from commercial banks
 - (c) generated through issue of shares
 - (d) generated within the business
2. ADRs are issued in
 - (a) Canada
 - (b) China
 - (c) India
 - (d) USA
3. Money obtained by issue of shares is known as _____
 - (a) Debts
 - (b) Share Capital
 - (c) Loans
 - (d) Reserve Funds
4. _____ was the first company in India to issue convertible zero interest debentures in January 1990
 - (a) Mahindra and Mahindra
 - (b) Adani Enterprise
 - (c) Tata Motors
 - (d) Reliance Limited
5. Which of the following is a commercial bank?
 - (a) All of these
 - (b) Canara bank
 - (d) Punjab National Bank
 - (d) State Bank of India
6. The ordinary shares of a company are delivered to the depository bank, which in turn issues the depository receipts, known as _____
 - (a) Commercial banks
 - (b) ADR

- (c) None of these
 - (d) GDR
7. Unit Trust of India was established by _____
- (a) ICICI
 - (b) State Bank Group
 - (c) Indian Government
 - (d) HDFC Bank
8. Debentures represent
- (a) Fixed capital of the company
 - (b) Permanent capital of the company
 - (c) Fluctuating capital of the company
 - (d) Loan capital of the company
9. Funds required for purchasing current assets is an example of
- (a) Fixed capital requirement
 - (b) Ploughing back of profits
 - (c) Working capital requirement
 - (d) Lease financing
10. Funds raised through loans or borrowings are _____
- (a) Borrowed funds
 - (b) Owners Equity
 - (c) None of these
 - (d) Share Capital
11. Dividend is paid only on _____
- (a) Loans
 - (b) Debentures
 - (c) Bonds
 - (d) Shares
12. Investors who want steady income may not prefer _____
- (a) None of these
 - (b) Debentures
 - (c) Equity Shares
 - (d) Bonds
13. Mention any one sources of owner's fund.
14. Mention any one type of Financial Institutions.

15. GDRs can be converted into shares _____
- (a) At any time
 - (b) After 5 years
 - (c) After 10 years
 - (d) After one year

16. Identify the different sources of finance traded in the organisation shown in the picture?



17. Which of the following business require higher amount of fixed capital?



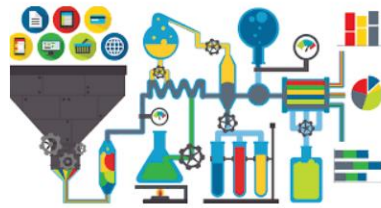
18. Identify the mode of payment other than, shown in the picture:



19. Name the kind of return on investment given to the investors shown in the given picture



20. Identify the capital which is required for day to day operations of the business?



21. Identify the capital which is required to purchase fixed assets?



22. Define ploughing back of profits.
23. Risk capital is defined as which type of capital?
24. State the return given to debenture holders for using their funds.
25. Give one feature of retained earnings that the other source of finance does not have.
26. Mention one similar function of Public deposits and ADR.
27. In the business sector which organization provides both medium- and long-term loans and has been set up by both the state and central government.
28. Mention two rights of preference shareholder.

‘They are also termed as Residual owners. Who are they? Discuss any three demerits of the source of finance raised from them.

29. ‘It is the credit extended by one trader to another for the purchase of goods and services. It facilitates the purchase of supplies without immediate payment. It is granted to those customers who have reasonable amount of financial standing and goodwill’. Identify it. Discuss the merits of the identified source of business finance.
30. Identify the source of finance which grants loan for a longer duration with easy repayment facility.