

CHOITHRAM SCHOOL MANIKBAGH INDORE
CLASS XI Session: 2017-18

SUBJECT- Business studies
Scheduled Date. 10.11.17

ASSIGNMENT No. III
Submission Date. 15.11.17

Q.no	Questions	Mark
1.	Name the institution which was set up in 1955 to promote the growth of SSI.	1
2.	Classify the sources of funds on the basis of ownership?	1
3	Trading concern requires large amount of fixed capital as compared to manufacturing concern. Do you agree? Give reasons in support of your ans.	1
	Very Short Answer	
4	State two ways in which preference shareholders enjoy preferential rights over equity shareholders.	2
5	Raj is planning to organize a country wide 'sale' of his products during Diwali. He has to build stock of his inventories to be able to meet the increased demand. a) Name the type of capital Raj must have to meet production demands? b) Advice the sources Raj may consider to raise the required funds.	2
6	Do you think that small –scale business can survive in a competitive market ? Give reasons in support of your answer?	2
7	Identify the source of finance highlighted in the following cases: a) It refers to that part of profits which is kept as reserves for use in the future. b) It facilitates the purchase of goods and services without making immediate payment. c) This source has characteristics of both equity shares and debentures. d) It is a permanent source of capital and is not redeemed during the life time of the company.	2
8	'Gracious Ltd' is a US based company. The company plans to tap the Indian capital market through its forthcoming issue of equity shares. Outline the instrument through which it can raise funds from the Indian capital market.	3
9	Discuss the problems faced by small scale industrial unit with regard to a) Idle capacity b) shortage of raw material c) marketing problems.	3
10	Nidhi bought 300 10 % Preference shares of ABC Ltd in the year 2016. The face value of each share is 100. She didn't receive any dividend on them during 2016 due to insufficient profits of the company. In the year 2017 the company made surplus profits. Calculate the amount of dividend payable to her in the year 2017 assuming that she is holding A) Cumulative Preference shares B) Non- cumulative preference shares.	3
	Long answer	
11	Aditi is successfully running a bakery shop in her residential colony for the past many yrs. She has wisely invested funds in different areas in	5

	<p>order to ensure smooth running of her business. She owns the manufacturing unit, whereas the shop through which she operates is on rent. Recently, she took a loan from the bank to install air conditioners and create provision for sitting for the customers by extending the shop area. Although she buys majority of the ingredients like flour, sugar, oil on 15 days credit fro the local suppliers but sales are made only in cash.</p> <p>In the context of the above case:</p> <p>A) Identify and explain various sources of finance that Aditi has employed in her business.</p> <p>B) Distinguish between internal and external sources of funds on the basis of cost and security.</p>	
12	<p>AB Ltd is planning to float an issue of equity shares in the market in the next four months. The directors of the company are also of the opinion that the company should raise some portion of funds from the international markets through equity.</p> <p>In the context of the above case :</p> <p>a) State three merits of raising funds through equity shares.</p> <p>b) Explain briefly any one source through which AB Ltd can raise funds through international capital markets.</p> <p>c) Which value Co is following by raising fund from international market.</p>	5