

CHOITHRAM SCHOOL MANIKBAGH INDORE**CLASS XII****Session: 2017-18**

SUBJECT- Business Studies

ASSIGNMENT No. IV

Scheduled Date. 01/12/2017

Submission Date. 06/12/2017

Q.No	Short Questions	Mark
1.	What is DEMAT Account?	1
2.	Disha's father has gifted her shares of a large cement company, with which he had been working. The securities were in physical form. She already has a bank account and does not possess any other forms of securities. She wished to sell the shares and approached a registered broker for the purpose. Mention one mandatory detail which will she have to provide with the broker.	1
3	"Indian logistics" has its own warehousing arrangements at key locations across the country. Its warehousing services help business firms to reduce their overheads, increase efficiency and cut down distribution time. State with reason, whether the working capital requirement of "Indian logistics" will be high or low ?	1
4	What is the financial leverage?	2
5	For optimal procurement of funds, a finance manager identifies different available sources and compares those in terms of costs and associated risk. Identify the concept highlighted in above lines. And state its primary objective.	2
6	List any four methods of floatation of new issues in the Primary market.	2
7	Differentiate between Money market and Capital Market.(Any two)	2
	Short Answer	
8	The directors of a company want to modernize its plant and machinery by making a public issue of shares. They wish to approach the stock exchange, while the finance manager prefers to approach a consultant for the new public issue of shares. Advise the directors whether to approach the stock exchange or a consultant for new public issue of shares and why. Also advise them about different methods which the company may adopt for the new public issue of shares.	3
9	Shubh Ltd. is manufacturing steel at its plant in India. It is enjoying a buoyant demand for its products as economic growth is about 7%-8% and the demand for steel is growing. The company has decided to set up a new steel plant to cash on the increased demand. It is estimated that it will require about Rs.2,000 crore to set up and about Rs.500 crore of working capital to start the new plant. a) Identify and state the decision taken by the finance manager in the above case. b) State any two common factors affecting the fixed and working capital requirement of Shubh Ltd.	3
10	Tata International Ltd. earned a net profit of Rs.50 crores. Ankit the finance manager of Tata International Ltd. wants to decide how to appropriate these profits. Identify the decision that Ankit will have to take and also discuss any five factors which help him in taking this decision.	3
	Long answer	
11	"Explain the regulatory functions of SEBI." Explain	5
12	The Trading procedure on Stock exchange has been replaced by online screen based electronic, transfer delays and paper work associated with share certificates or debentures in physical form. This is a process where securities held by the investor in the physical form are cancelled and the investor is given an electronic entry or number so that he/ she can hold it as an electronic balance in an account. This has increased the equity cult among the people. (a) Identify and explain the process mentioned above. (b) What is the most important requirement for the process identified in (a) ? State (c) State any two values which you think have enhanced the equity cult in the society.	5