

Sources of Business Finance

Question 1.

Sources of finance can be categorised as _____

- (a) Source of Generation Basis
- (b) Period Basis
- (c) Ownership
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 2.

Expand ADR

- (a) American Depository Receipts
- (b) American Direct Receipts
- (c) American Domestic Receipts
- (d) None of the above

▼ [Answer](#)

Answer: (a) American Depository Receipts

Question 3.

Industrial Finance Corporation of India (IFCI) was established in _____

- (a) July 1948
- (b) July 2001
- (c) July 1956
- (d) July 1991

▼ [Answer](#)

Answer: (a) July 1948

Question 4.

_____ is an example of short term finance

- (a) Trade Credit
- (b) Debenture
- (c) Share
- (d) None of the above

▼ [Answer](#)

Answer: (a) Trade Credit

Question 5.

_____ was the first company in India to issue convertible zero interest debentures in

January 1990

- (a) Reliance Limited
- (b) Adani Enterprise
- (c) Tata Motors
- (d) Mahindra and Mahindra

▼ [Answer](#)

Answer: (d) Mahindra and Mahindra

Question 6.

Expand GDR

- (a) Global Depository Receipts
- (b) Gross Domestic Receipts
- (c) Government Direct Receipts
- (d) None of the above

▼ [Answer](#)

Answer: (a) Global Depository Receipts

Question 7.

Money obtained by issue of shares is known as _____

- (a) Debts
- (b) Loans
- (c) Reserve Funds
- (d) Share Capital

▼ [Answer](#)

Answer: (d) Share Capital

Question 8.

A person who purchases the common stock of a corporation is known as:

- (a) Preferred stockholder
- (b) Creditor
- (c) Bondholder
- (d) Common stockholder

▼ [Answer](#)

Answer: (d) Common stockholder

Question 9.

ICICI was established in _____

- (a) 1985
- (b) 1975
- (c) 1965
- (d) 1955

▼ [Answer](#)

Answer: (d) 1955

Question 10.

Commercial papers can be issued only by large and creditworthy companies because

- (a) It is protected by the Government
- (b) It is an Unsecured Debt
- (c) It is Fully Secured Debt
- (d) None of the above

▼ [Answer](#)

Answer: (b) It is an Unsecured Debt

Question 11.

Which of the following is a commercial bank?

- (a) Punjab National Bank
- (b) Canara bank
- (c) State Bank of India
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 12.

State Industrial Development Corporations were established by _____

- (a) Ministry of Finance
- (b) the Different States
- (c) Central Government
- (d) None of the above

▼ [Answer](#)

Answer: (b) the Different States

Question 13.

Under the lease agreement, the lessee gets the right to

- (a) Use the asset for a specified period
- (b) Share profits earned by the lessor
- (c) Sell the assets
- (d) Participate in the management of the organisation

▼ [Answer](#)

Answer: (a) Use the asset for a specified period

Question 14.

When one party grants the other party the right to use the asset in return for a periodic payment, it is known as _____

- (a) Lease Financing

- (b) Public Deposits
- (c) Debts
- (d) Factoring

▼ [Answer](#)

Answer: (a) Lease Financing

Question 15.

The term 'redeemable' is used for

- (a) Public deposits
- (b) Commercial paper
- (c) Equity shares
- (d) Preference shares

▼ [Answer](#)

Answer: (b) Commercial paper

Question 16.

Funds raised through loans and borrowings are _____

- (a) Owners Equity
- (b) Share Capital
- (c) Borrowed funds
- (d) None of the above

▼ [Answer](#)

Answer: (c) Borrowed funds

Question 17.

Expand ICICI

- (a) Indian Credit and Investment Corporation of India
- (b) International Credit and Investment Corporation of India
- (c) Industrial Credit and Investment Corporation of India
- (d) None of the above

▼ [Answer](#)

Answer: (c) Industrial Credit and Investment Corporation of India

Question 18.

Internal sources of capital are those that are

- (a) Generated through outsiders such as suppliers
- (b) Generated through the issue of shares
- (c) Generated through a loan from commercial banks
- (d) Generated within the business

▼ [Answer](#)

Answer: (d) Generated within the business



Question 19.

Life insurance corporation was set up in _____

- (a) 1985
- (b) 1975
- (c) 1956
- (d) 1965

▼ [Answer](#)

Answer: (c) 1956

Question 20.

Debentures represent

- (a) Fixed capital of the company
- (b) Fluctuating capital of the company
- (c) Loan capital of the company
- (d) Permanent capital of the company

▼ [Answer](#)

Answer: (c) Loan capital of the company

Question 21.

Dividend is paid only on _____

- (a) Bonds
- (b) Debentures
- (c) Shares
- (d) Loans

▼ [Answer](#)

Answer: (c) Shares

Question 22.

The maturity period of a commercial paper usually ranges from

- (a) 120 to 365 days
- (b) 60 to 90 days
- (c) 90 to 364 days
- (d) 20 to 40 days

▼ [Answer](#)

Answer: (c) 90 to 364 days

Question 23.

Investors who want steady income may not prefer _____

- (a) Bonds
- (b) Equity Shares

- (c) Debentures
- (d) None of the above

▼ [Answer](#)

Answer: (b) Equity Shares

