# **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

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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:

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- (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

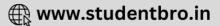
Question 13. Under the lease agreement, the lessee gets the right to

- (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: (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





Answer

- (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



