

Std. 11
28-11-2014

Second Unit Test in BUSINESS STUDIES

Time : 1 hr.
M. Marks: 20

1. What is meant by "Retained Earnings"? 1
2. How does trade credit lead to risk of overtrading? 1
3. What is "Certificate of Incorporation"? 1
4. Why do business enterprises need finance? 3
5. What preferential rights are enjoyed by Preference Shareholders? 3
6. Discuss the various feasibility studies undertaken by the promoters. 3
7. What is the role of underwriters in the capital subscription stage of public limited company?
Why does a company appoint bankers, brokers and underwriters? 4
8. Briefly explain any two merits and two demerits of Debentures as a source of finance. 4

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