



DII-005-002205

Seat No. _____

LL. M. (Sem. II) (CBCS) Examination

May / June – 2015

Corporate Finance

Faculty Code : 005

Subject Code : 002205

Time : 2 Hours]

[Total Marks : 60

Attempt Every Question

Q.1. is for MCQ, Total marks allotted – 12

Q. 2, 3 & 4 are for short answers and marks allotted to each is -6, total marks - 18

Q. 5 & 6 are for long essays and marks allotted to each is -15, total marks – 30

SECTION - I

Q.1. Select right answer and write in your answer book. (12)

- 1) (a) Corporate Finance is a part of Business Finance,
(b) Corporate Finance is a part of Private Finance,
(c) Corporate Finance is a part of Public Finance,
(d) Corporate Finance is a part of Finance.
- 2) The object of Corporate Finance is
(a) maximization of profit,
(b) maximization of wealth,
(c) maximization of profit as well as wealth,
(d) maximization of profit according to one view
and maximization of wealth according to another view.
- 3) Law of Corporate Finance means,
(a) Company law relating to fund raising,
(b) Company law relating to capital formation,
(c) Company law relating to management of capital,
(d) Company law relating to management of finance.
- 4) Law of Corporate Finance does not include,
(a) Law of IPO,
(b) Law of prospectus,
(c) Law of corporatisation,
(d) Law of corporate debt.

- 5) **Law of Corporate Finance in India is important because,**
- (a) **it is the law which governs 15 lac companies,**
 - (b) **it is the law which governs finance of companies which control almost 25% of Indian Economy,**
 - (c) **it is the law which governs finance of companies which develop the country,**
 - (d) **it is the law which governs finance of companies which produce FMCG & Consumer durables for Indians.**
- 6) **Into how many parts a prospectus ought to be divided according to the provisions of Companies Act ?**
- (a) **2,**
 - (b) **3,**
 - (c) **4,**
 - (d) **5.**
- 7) **What is the difference between the information to be provided in Part 1 & Part 2 of Prospectus ?**
- (a) **about the company & about the issue,**
 - (b) **about the board of directors and about the track record of the company,**
 - (c) **about the object of the company and about the object of issue,**
 - (d) **about the company and about the stock exchange.**
- 8) **When communication of proposal to purchase a share or debenture is complete for the applicant ?**
- (a) **when he sends an email,**
 - (b) **when the company opens the email,**
 - (c) **when he deposits filled application form alongwith cheque.**
 - (d) **When the company receives application form alongwith cheque.**
- 9) **What is not essential for a valid allotment ?**
- (a) **Reservation,**
 - (b) **Communication of proposal to purchase share.**
 - (c) **Written allotment letter.**
 - (d) **Acceptance of proposal by proper authority of the company.**

- 10) Which of the following is not a debt-instrument ?
- (a) Debenture,
 - (b) Preference Share,
 - (c) Bond,
 - (d) Deposit Receipt.
- 11) Repayment of Public Deposits obtained by Companies is secured by :
- (a) Debenture – Trust,
 - (b) Fixed charge,
 - (c) Floating charge,
 - (d) Priority in payment against share holders.
- 12) A Managing Director or Whole Time Director can charge maximum remuneration to be tune of -
- (a) 3%,
 - (b) 4%,
 - (c) 5%,
 - (d) 1%.

SECTION - II

Q.2. Explain – Inter corporate loans. (6)

Or

Q.2. Explain - Disclosure. (6)

Q.3. Explain – Creation of Charge. (6)

Or

Q.3. Explain – Prospectus. (6)

Q.4. Explain - Share Capital. (6)

Or

Q.4. Explain –Debenture. (6)

Q.5. Discuss - Protection of Investors. (15)

Or

Q.5. Discuss - Protection of Creditors. (15)

Q.6. Administration control on Corporate Finance –Discuss. (15)

Or

**Q.6. Meaning, Scope and Importance of Corporate Finance – (15)
Explain.**
