

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 6 Short Questions Preparation

Quodiono i roparation
Q1. Define cumulative preference shares.
Ans 1: If the profit of company is not enough to pay dividend o any kind of shares then the right of divident on these shares accumulates unitly all arrears of unpaid divident have been paid.
Q2. Define non cumulativ epreferene shares.
Ans 1: The holders of these shares are entitled to a fixed rate of dividend out of curretn year's profit, but if dividend is not paid on these shares in any year then it is never paid.
Q3. What is meant by Modrarba.
Ans 1: Modarba is formed under Modarba ordinacne 1980. In Modarba one party contributes capital and other party participates with his skills e.g. NBP Modarba. etc.
Q4. What do you men by issued capital.
Ans 1: It is that part of authorized capital, which ha sbeen issued of offered to public for subscription.
Q5. What is meant by Charter company.
Ans 1: i- These companies are formed by the royal order.
Ans 2: ii- The word limited is not used iwth the name of company
Ans 3: iii- The managment of the company is run according to the provisions of charter. e.g. East India company etc.
Q6. Define interim dividend.
Ans 1: A dividend paid by the company to the shareholders during the course before the end of its financeial year if it expects to earn huge profit.
Q7. State the definiation of listed public company.

Ans 1: 1- In this company minimum number of memebrs may be seven but there is no restriction for maximum.

- **Ans 2:** 2- Shares of the company can be easily sold and trasferred.
- **Ans 3:** 3- The libaility of the shareholders is limited to the value of shares purchased.
- Q8. Define prospectus of a company.
 - **Ans 1:** This document is advertised for raising the capital in this the general public is invited to purchase the shares An attested copy of prospectus should be submitted to registar's ofice. It also contains the date of issues.
- Q9. Define deferred shares.
 - **Ans 1:** The shares issued to promoters of the company are called " Deferred or founders shares:". The dividend on these shares is paid after the payment of dividend on all other kinds of shares.
- Q10. State the kind of company's capital.
 - Ans 1: i- Authorized capital ii- Issued capital
 - Ans 2: iii- Subscribed capital iv- Unsubscribed capital
 - Ans 3: v- Unissued capital vi- Reserve capital