

Chapter 4 Issue of Debentures**QUESTIONS**

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

1 A company cannot issue with voting rights.

- ☐ Equity shares
- ☐ Debentures
- ☐ Securities

Correct: +1

2 A company can issue convertible debentures.

- ☐ Capital
- ☐ Only fully
- ☐ Partly or fully

Correct: +1

3 Money from Account is used for redemption of debentures

- ☐ Capital
- ☐ Debenture Redemption Reserve
- ☐ Profit or loss

Correct: +1

4 protects the interest of debenture holders

- ☐ Debenture Trustees
- ☐ Debenture holders
- ☐ Redemption Reserve

Correct: +1

5 Secured debentures must be redeemed within from the date of its issue

- ☐ 10 days
- ☐ 10 years
- ☐ 15 years

Correct: +1

6 Debenture certificate must be issued within of allotment of debentures.

- ☐ 3 months
- ☐ 6 months
- ☐ 60 days

Correct: +1

7 The details of allotment of Debentures must be entered in

- ☐ Register of debenture
- ☐ Register of members
- ☐ Register of creditors

Correct: +1

8 A company which issues prospectus or invites more than 500 persons to buy its debenture has to appoint

- ☐ Register of companies
- ☐ Debenture holders
- ☐ Debenture trustees

Correct: +1

9 The contract between company and Debenture trustees of companies is called as

- ☐ Debenture trust deed
- ☐ Letter of offer
- ☐ Prospectus

Correct: +1

10 Company cannot issue non-convertible debentures

- ☐ False
- ☐ True

Correct: +1

11 Debentures holders are paid interest

- ☐ False
- ☐ True

Correct: +1

12 Debenture Trustees can not approach NCLT to redress grievances of debenture holders

- ☐ True
- ☐ False

Correct: +1

13 All secured debentures should be redeemed within 20 years from date of its issue.

- ☐ False
- ☐ True

Correct: +1

14 Company has to create a charge on its assets when it issues secured debentures

- ☐ False
- ☐ True

Correct: +1

15 Debenture trustees are appointed to protect the interest of shareholders

- ☐ True
- ☐ False

Correct: +1

16 Debenture certificate is issued within 6 six months of allotment of debentures

- ☐ True
- ☐ False

Correct: +1

17 Choose the correct pair for : Debenture trustees

- ☐ protect interest of Shareholder
- ☐ Protects interest of debenture holders
- ☐ NCLT

Correct: +1

18 Choose The correct Pair for : Debenture Holders

- ☐ No voting rights
- ☐ Voting Rights
- ☐ Unsecured Debenture

Correct: +1

19 Choose the correct pair for : Charge on assets

- ☐ Secured Debenture
- ☐ Unsecured Debenture
- ☐ Voting rights

Correct: +1

20 Choose the correct pair for : Debenture certificate

- ☐ Proof of ownership of shares
- ☐ Issued within 3 months of allotment of debenture
- ☐ Issued within 6 months of allotment of debenture

Correct: +1

TEST

Chapter 4 Issue of Debentures

ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 Debentures
- 2 Partly or fully
- 3 Debenture Redemption Reserve
- 4 Debenture Trustees
- 5 10 years
- 6 6 months
- 7 Register of debenture
- 8 Debenture trustees
- 9 Debenture trust deed
- 10 False
- 11 True
- 12 False
- 13 False
- 14 True
- 15 False
- 16 True
- 17 Protects interest of debenture holders
- 18 No voting rights
- 19 Secured Debenture
- 20 Issued within 6 months of allotment of debenture