

Course  
&  
Test Series



CBSE



ICSE



NTSE



Banking &  
Insurance



Central Govt.  
Service



State Govt.  
Services



LAW  
Entrance



MBA  
Entrance



Railways & Metro  
Services

...many more

abhyasonline.in

Advance Accounting

Financial Instrument in Capital Market

Answer the Following MCQ Que:

1. Which of the following is an equity instrument?  
A. Bond  
B. Equity Share  
C. Debenture
2. Debentures are classified as:  
A. Ownership instruments  
B. Hybrid instruments  
C. Debt instruments
3. Which instrument gives voting rights in a company?  
A. Preference shares  
B. Equity shares  
C. Bonds
4. Which of the following is a government-issued debt instrument?  
A. Debenture  
B. Treasury bond  
C. Commercial paper
5. Preference shares generally do not carry:  
A. Fixed dividend  
B. Voting rights  
C. Ownership
6. Convertible debentures can be converted into:  
A. Mutual funds  
B. Equity shares  
C. Bonds
7. Which of the following is a hybrid financial instrument?  
A. Treasury bills  
B. Convertible debentures  
C. Equity shares
8. Which financial instrument derives its value from an underlying asset?  
A. Debenture  
B. Derivative  
C. Bond



Course  
&  
Test Series

Advance Accounting

Financial Instrument in Capital Market

9. Which is NOT a capital market instrument?  
A. Treasury bill  
B. Equity share  
C. Debenture
10. A financial instrument that provides fixed income is:  
A. Equity share  
B. Debenture  
C. Warrant
11. Warrants give the holder the right to:  
A. Receive interest payments  
B. Buy equity shares at a specific price  
C. Convert bonds into cash
12. Which of the following is used to raise long-term capital?  
A. Equity shares  
B. Call money  
C. Treasury bills
13. Which financial instrument offers the lowest risk?  
A. Corporate bond  
B. Government security (G-Sec)  
C. Equity share
14. Which one is an example of a derivative instrument?  
A. Bond  
B. Option  
C. Debenture
15. Which instrument pays a fixed interest regardless of profits?  
A. Equity shares  
B. Preference shares  
C. Futures
16. Who issues bonds in the capital market?  
A. Consumers  
B. Government and corporations  
C. Commercial banks only
17. Equity shareholders are also called:  
A. Debtors

 CBSE

 ICSE

 NTSE

 Banking & Insurance

 Central Govt. Service

 State Govt. Services

 LAW Entrance

 MBA Entrance

 Railways & Metro Services

...many more

abhyasonline.in

Course  
&  
Test Series

Advance Accounting

Financial Instrument in Capital Market

- B. Owners
- C. Creditors

18. Which financial instrument gives the investor ownership in the company?

- A. Debenture
- B. Bond
- C. Equity share

19. Which of the following is a long-term financial instrument?

- A. Treasury bill
- B. Equity share
- C. Certificate of deposit

20. What is a feature of bonds?

- A. Voting rights
- B. Fixed interest
- C. Ownership

21. Derivatives are used mainly for:

- A. Saving taxes
- B. Speculation and hedging
- C. Raising equity

22. Which of the following is a characteristic of preference shares?

- A. Right to vote in AGMs
- B. Fixed dividend preference
- C. Convertible into mutual funds

23. Government securities are generally considered:

- A. Risky investments
- B. High-return investments
- C. Safe investments

24. Which instrument is typically issued during an IPO?

- A. Bonds
- B. Equity shares
- C. Options

25. A debenture holder is a:

- A. Creditor to the company
- B. Owner of the company
- C. Partner in the company

 CBSE

 ICSE

 NTSE

 Banking & Insurance

 Central Govt. Service

 State Govt. Services

 LAW Entrance

 MBA Entrance

 Railways & Metro Services

...many more

abhyasonline.in