

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**SY B.Com, Semester-III, Supplementary Examination June 2023**  
**Business Finance(CC 9)**

**Duration: 2hrs**

**Max Marks: 80**

**Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.

1. Write short notes on the following(ANY FOUR): (4X4= 16 marks)

- a) Determine the significance of capital structure
- b) Identify the types of working capital
- c) Explain balanced capitalization
- d) Describe the benefits of capital gearing(four points)
- e) Explain the principles of business finance(four points)
- f) Compare cost theory with earnings theory of capitalization(four points)

2. Write short notes on the following(ANY FOUR): (4X4= 16 marks)

- a) Explain lease financing as a source of fixed capital
- b) Describe the various types of financial plan
- c) Demonstrate the importance of business finance
- d) Explain the significance of adequate working capital
- e) Differentiate between over-capitalization and under-capitalization(four points)
- f) Evaluate the concept of high capital gearing

3. a. Explain the meaning of financial plan and describe any eight characteristics of a sound financial plan. (12 marks)

OR

b. Summarize the steps involved in financial planning in an organization.

4. a. Explain the meaning of over-capitalization and examine the causes of over-capitalization. (12marks)

OR

b. Describe the remedies to overcome under-capitalization situation of an organization.

5. a. Briefly explain the factors determining fixed capital requirements in an organization. (12marks)

OR

b. Describe the sources of working capital available for businesses in the current scenario.

6. a. Identify and explain the factors affecting capital structure of an organization. (12 marks)

OR

b. Determine the advantages and limitations of trading on equity for business concerns.