

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**SY B.Com, Semester-III, Semester End Examination November 2022**  
**Business Finance (CC 09)**

**Duration: 2hrs****Max Marks: 80****Instructions:**

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

Q.No.1. Answer **Any Four** of the following:

(4x4=16 marks)

- a) Differentiate between business finance and corporate finance.
- b) Explain the principles of business finance.
- c) Summarize the concept of working capital.
- d) Describe balanced capitalization.
- e) Discuss the significance of capital structure.
- f) Describe the cost theory of capitalization.

Q.No.2. Answer **Any Four** of the following:

(4x4=16 marks)

- a) Describe the sources of raising fixed capital.
- b) List and explain the types of financial plan.
- c) Discuss the remedies to overcome under capitalization.
- d) Identify and explain the different types of capital.
- e) Explain the concept of capital gearing.
- f) Explain the term financial structure.

3.A. Define financial planning? Analyze the steps involved in financial planning. 12 marks

OR

3.B. State and describe the essentials of a sound financial plan.

4.A. Define fixed capital. Explain the advantages of fixed capital for a business. 12 marks

OR

4.B. Identify and evaluate the sources for raising working capital for a business.

5.A. Elaborate the causes of over capitalization.

12 marks

OR

5.B. Differentiate between over capitalization and under capitalization.

6.A. Explain the factors affecting capital structure of a business.

12 marks

OR

6.B. What is trading on equity? Assess its advantages and disadvantages.