

Duration: 2 hrs

Max Marks: 80

Instructions:

1. Figures to the right indicate maximum marks
2. Start each question on a fresh page
3. All questions are compulsory
4. Answer Q1 and Q2 in not more than 100 words each
5. Answer Q2 to Q6 in not more than 400 words each

1) Write short notes on: (Any 4)

(4x4=16 marks)

- a) Objectives of Financial Planning
- b) Principles of Business Finance
- c) Features of a good Financial Plan
- d) Classification of capital
- e) Factors determining fixed capital requirement of a company
- f) Equity shares versus preference shares

2) Write short notes on: (Any 4)

(4x4=16 marks)

- a) Capitalisation
- b) Merits and demerits of the earnings theory of capitalisation
- c) Symptoms of over capitalisation
- d) Capital gearing
- e) Trading on equity
- f) Significance of capital structure

3A) What is a financial plan? Enumerate the different types of financial plans.

12marks

OR

B) Is there a need for financial planning? Elaborate. Also, discuss the steps in financial planning.

4A) Discuss the factors determining the capital requirements of a company. 12 marks

OR

B) Explain the benefits of adequate working capital to a company.

5A) Discuss the cost theory of capitalization

12 marks

OR

B) Elaborate the impact of under capitalization on the various stakeholders of the company.

6A) Explain the types of capital gearing.

12 marks

OR

B) Elaborate the advantages and limitations of trading on equity.