

Business Finance

Duration: 2 hours

Marks: 80

Instruction: 1) All questions are compulsory
2) Figures to the right indicate full marks
3) Start each new question on fresh page

Q1 Write short notes on: (Any 4) (4x4= 16)

- a) Business finance v/s Corporate finance
- b) Classification of capital
- c) Balanced capitalization
- d) Types of financial plan
- e) Importance of capital structure
- f) LIC

Q2 Write short notes on: (Any 4) (4x4= 16)

- a) Principles of business finance
- b) Objectives of financial planning
- c) Types of working capital
- d) Distinguish between Cost theory and Earnings theory
- e) Capital gearing
- f) IDBI

Q3. A) What is a Financial Plan? State and explain the essentials (12)
features a good financial plan

OR

X) State and explain the various steps in financial planning (12)

Q4. A) Explain the various factors determining capital (12)
requirements.

OR

X) Distinguish between Fixed capital and working capital (12)

Q5. A) Explain the causes and effects of Over capitalization (12)

OR

Q5. X) State and explain the various factors influencing capital (12)
structure

Q6. A) What is Trading on Equity? Explain its advantages and (12)
limitations

OR

Q6. X) Explain the changing role of financial institutions in the recent (12)
years in India.