

**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**S.Y.B.Com, Semester - III, End Semester Examination, Oct 2015**  
**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.