

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics Margao-Goa
S.Y.BCOM SEM III SEMESTER END EXAMINATION, OCTOBER 2017
BUSINESS FINANCE

Duration: 2 hours

Max. Marks: 80 marks

Instructions: *Figures to the right indicate maximum marks.*

Start each question on a fresh page

All questions are compulsory

Q1. Write short notes on (Any 4) (16)

- a. Principles of business finance.
- b. Types of financial plan.
- c. Cost theory of capitalization
- d. Industrial Development bank of India
- e. Role of business finance in an organization.
- f. Types of working capital.

Q2. Write short notes on (Any 4) (16)

- a. Role of LIC.
- b. Importance of capital structure.
- c. Classification of capital.
- d. Balance capitalization.
- e. Business finance v/s Corporate Finance.
- f. EDC

Q3. A) State and explain essential features of a good financial plan. (12)

OR

X) What is financial planning and explain the steps in financial planning. (12)

Q4. A) Distinguish between fixed capital and working capital. (12)

OR

X) Mr. Rohit wants to start his own candle manufacturing plant, what are the factors he should consider that will determine capital requirement of his business. (12)

Q5. A) What is Undercapitalization? Explain the causes that lead to Undercapitalization. (12)

OR

X) Distinguish between overcapitalization and undercapitalization. (12)

Q6. A) What is Trading on Equity? Explain merits & demerits of trading on equity. (12)

OR

X) What is capital gearing? Explain the types of capital gearing with Example. (12)