

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-III, Semester End Examination, October 2019
Business Finance (CC 9)

Duration: 2hrs**Max Marks: 80****Instructions:** 1) Figures to the right indicate maximum marks

2) Start each question on fresh page

3) All questions are compulsory

4) Answer to Q1 & Q2 should be approximately 100 words each

5) Answer to Q3 to Q6 should be approximately 400 words each

Q1. Write short notes on: - (Any 4)**(4x4 =16 marks)**

- a) Business finance v/s Corporate finance
- b) Significance of adequate fixed capital
- c) Principles of business finance
- d) Advantages of adequate working capital
- e) Developmental capital
- f) Importance of business finance in an organisation

Q2. Write short notes on: - (Any 4)**(4x4 =16 marks)**

- a) Importance of capital structure
- b) Cost theory v/s Earning theory of capitalisation
- c) Remedies to overcome under-capitalisation
- d) Importance of balanced capitalisation
- e) Types of trading on equity
- f) Advantages of capital gearing

Q3. A) Illustrate the essential features of a good financial plan.**(12 marks)****OR****X) Explain the types and significance of financial planning.****(12 marks)****Q4. A) Explain the factors determining fixed capital requirements.****(12 marks)****OR****X) Elaborate the types of working capital.****(12 marks)****Q5. A) Distinguish between Over-capitalisation and Under-capitalisation.****(12 marks)****OR****X) Explain the effects of undercapitalization on the company, shareholders and employees.****(12 marks)****Q6. A) Describe the factors determining the composition of capital structure.****(12 marks)****OR****X) Explain the advantages and limitations of trading on equity.****(12 marks)**