

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
S.Y.B.Com Semester-III, Semester End Examination, October 2018
Business Finance

Duration: 2 Hours

Max. Marks: 80

Instructions: *Figures to the right indicate maximum marks*
Start each question on a fresh page
All questions are compulsory
Answer Q1&Q2 in not more than 100 words each.
Answer Q3 to Q6 is not more than 400 words each.

- 1) Write short notes on (Any 4) **(4x4=16 Marks)**
- a) Types of Financial Plans
 - b) Significance of Business Finance in an organisation
 - c) Business Finance v/s Corporate Finance
 - d) Characteristics of working capital
 - e) Importance of Capital Structure
 - f) Classification of capital
- 2) Write short notes on (Any 4) **(4x4=16 Marks)**
- a) Remedies for undercapitalisation
 - b) Cost Theory of Capitalisation
 - c) Importance of Balanced Capitalisation
 - d) Trading on Equity
 - e) Financial Structure
 - f) Types of Working Capital
- 3 A) What is a financial plan? Explain the objectives of a financial plan **(12)**
- OR**
- B) What is financial planning? What are the essential elements of a financial plan? **(12)**
- 4 A) Explain the importance of adequate fixed capital in an organisation **(12)**
- OR**
- B) State and explain the factors determining working capital requirements of a business **(12)**
- 5 A) Briefly discuss the effects of undercapitalisation on the company, shareholders and society **(12)**
- OR**
- B) Explain the ill-effects of overcapitalisation **(12)**
- 6 A) What is capital structure? Discuss the importance of designing a proper capital structure **(12)**
- OR**
- B) What do you understand by capital gearing? Explain the types of gearing with the help of an example **(12)**