

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics Margao-Goa
S.Y.BCOM Sem III May/June Supplementary Examination 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

Q1 Write short notes (any 4)

4 X 4 =16 Marks

- a) Principles of Business Finance
- b) Types of financial plan.
- c) Factors determining working capital
- d) Objectives of a financial plan
- e) Types of working capital
- f) Earnings Theory

Q2 Write short notes (any 4)

4 X 4 =16 Marks

- a) Industrial Development Bank of India
- b) Causes and effects of Overcapitalization
- c) Changing role of financial institutions
- d) EDC
- e) Balanced capitalization
- f) Cost theory

Q3.a) Explain the Effects and remedies of Undercapitalization

12 Marks

OR

b) Explain the various steps involved in financial planning.

12 Marks

Q4.a) Explain the various factors determining the capital requirement of a business unit

12 Marks

OR

b) Differentiate between Fixed & Working capital?

12 Marks

Q5a) Explain the term Capital gearing and discuss its various types.

12 Marks

OR

b) Examine the essential features of an ideal financial Plan.

12 Marks

Q6a). What is capital structure? Discuss the factors influencing capital structure.

12 Marks

OR

b) What is trading on equity? Explain its advantages and disadvantages

12 Marks