

VidyaVikasMandal's  
Shree Damodar College of Commerce & Economics Margao-Goa  
S.Y.BCOM, SEM III SEMESTER END EXAMINATION, OCTOBER 2016  
**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. Role of business finance in an organization.
  - b. Types of financial plan.
  - c. Classification of capital.
  - d. Balance capitalization.
  - e. Types of working capital.
  - f. Principles of business finance.
- Q2.** Write short notes on (Any 4) (16)
- a. Business finance v/s corporate finance.
  - b. Importance of capital structure.
  - c. Cost theory of capitalization
  - d. Industrial Development bank of India
  - e. Functions of LIC.
  - f. EDC
- Q3.** A) What is financial planning and explain the steps in financial planning. (12)
- OR**
- X) State and explain essential features of a good financial plan. (12)
- Q4.** A) Distinguish between fixed capital and working capital. (12)
- OR**
- X) State and explain the factors determining capital requirement of business. (12)
- Q5.** A) What is overcapitalization? Explain the causes that lead to overcapitalization. (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)