

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
S.Y.B.Com Semester-III, Supplementary Examination, May/June 2019
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) Business Finance
 - b) Limitations of Financial Planning
 - c) Characteristics of Business Finance
 - d) Working Capital
 - e) Significance of adequate working capital
 - f) Importance of Capital Structure
- 2) Write short notes on (Any 4) **(4x4=16 Marks)**
- a) Balanced Capitalisation
 - b) Remedies for overcapitalisation
 - c) Cost Theory of Capitalisation
 - d) Limitations of Trading on Equity
 - e) Financial Structure
 - f) Features of fixed capital
- 3 A) What is financial planning? List out the steps in financial planning. **(12)**
- OR**
- B) Finance is described as the life blood of business. Explain the importance of business finance as an integral part of a business enterprise. **(12)**
- 4 A) What is the importance of capital to a business organisation? List out the factors that determine capital requirements in a business organisation **(12)**
- OR**
- B) What is fixed capital? Discuss the factors determining fixed capital requirements **(12)**
- 5 A) Explain the causes of Overcapitalisation in detail. **(12)**
- OR**
- B) What is undercapitalisation? Explain the causes of undercapitalisation **(12)**
- 6 A) Highlight the factors affecting capital structure **(12)**
- OR**
- B) What do you understand by capital gearing? Explain the types of gearing with the help of an example **(12)**