

Business Finance

Duration: 2 hours

Marks: 80

- Instructions: 1) All questions are compulsory
2) Figures to the right indicate Marks
3) Start each question on fresh page

- Q1 Write short notes on (Any 4) (4x4=16)
i) Significance of financial planning
ii) Cost theory of capitalisation
iii) Advantages of capital gearing
iv) Determinants of Fixed Capital
v) Importance of Capital Structure
vi) Changing Role of financial Institutions
- Q2 Write short notes on (Any 4) (4x4=16)
i) Business Finance v/s Corporate finance
ii) High capital gearing v/s Low Capital gearing
iii) Functions of IFCI
iv) Balanced Capitalisation
v) Essentials of good Financial Plan
vi) Earnings Theory of capitalisation
- Q3A) Describe briefly the various steps in Financial Planning. (12)
OR
X) Explain the various principles of Business Finance (12)
- Q4A) What is undercapitalisation? Explain its causes and remedies to overcome it. (12)
OR
X) Distinguish between fixed Capital and working Capital . (12)
- Q5A) What is trading on equity? Discuss the various advantages. (12)
OR
X) Describe the concept "Capital Structure". Explain the factors influencing capital structure. (12)
- Q6A) Discuss the functions of EDC as a specialised financial institution. (12)
OR
X) Describe the role of LIC as a specialised financial institution. (12)