

C.E.S COLLEGE OF ARTS AND COMMERCE, CUNCOLIM – SALCETE – GOA
S.Y.B.COM. III SEMESTER END EXAMINATION, OCTOBER, 2018
BUSINESS FINANCE

Duration: 2 hours

Date: 19/10/2018

Time: 10.00 a.m. to 12.00 p.m.

Marks: 80

- Instructions:
- i) All questions are compulsory, however internal choice is available.
 - ii) Answer sub-questions in Question 1 and Question 2 in not more than 100 words each.
 - iii) Answer Question 3 to Question 6 each in not more than 400 words.
 - iv) Figure to the right indicates maximum marks to the question/sub-question.

Q.1. Write short note on the following (any four): (4x4=16 marks)

- i) Short Term Financial Plan
- ii) Role of business finance in an organisation
- iii) Business Finance v/s Corporate Finance
- iv) Instalment Credit
- v) Development Capital
- vi) Importance of working capital

Q.2. Write short note on the following (any four): (4x4=16 marks)

- i) Cost Theory of Capitalisation
- ii) Balanced Capitalisation
- iii) Dangers of Over-Capitalisation
- iv) Capital Gearing
- v) Types of Trading on equity
- vi) Importance of Capital Structure

Q.3. A) State and explain the principles of business finance. (12 marks)

OR

B) What is Financial Planning? Explain the steps involved in Financial Planning.

Q.4. A) Explain the factors determining capital requirement of a company. (12 marks)

OR

B) What is working capital? Explain the types of working capital.

Q.5. A) What is Capitalisation? Distinguish between Over-Capitalisation and Under-Capitalisation. (12 marks)

OR

B) Explain the concept of Under-Capitalisation. Give the causes of Under-Capitalisation.

Q.6. A) What is Trading on equity? Give its advantages and limitations. (12 marks)

OR

B) Explain the factors influencing Capital Structure of a Company.
