

THE C.E.S COLLEGE OF ARTS AND COMMERCE, CUNCOLIM, SALCETE-GOA  
S.Y.B.COM SEMESTER III END EXAMINATION OCTOBER/NOVEMBER 2019

SUBJECT: BUSINESS FINANCE CODE:CC-09

DATE: 18/10/2019

TIME:10.00 am to 12Noon

DURATION: 02 hours

MAX. MARKS: 80

INSTRUCTIONS: 1] Attempt all questions  
2] Figures to the right indicate full marks.

Q. 1] Write short notes on ANY FOUR of the following [4x4=16]

- a] Steps in financial planning
- b] Importance of adequate fixed capital
- c] Variable working capital
- d] Capitalisation
- e] Dangers of over-capitalisation to the company
- f] High and low capital gearing

Q.2] Write short notes on ANY FOUR Of the following: [4x4=16]

- a] Business finance V/s Corporate finance
- b] Working Capital
- c] Balanced capitalisation
- d] Capital structure
- e] Advantages of capital gearing
- f] Principles of business finance

Q.3.A] Explain the essentials of a good financial plan. [12]

OR

Q.3. B] Describe in detail the principles of business finance. [12]

Q.4. A] Explain in detail the sources available for meeting fixed capital requirement of a business enterprise. [12]

OR

Q.4.B] What factors determine the amount of working capital requirement of a business Unit? [12]

Q.5. A] Explain the causes of over-capitalisation and suggest measures to overcome its dangers. [12]

OR

Q.5.B] What is capitalisation? Explain briefly the theories of capitalisation. [12]

Q.6.A] State and explain the factors influencing the capital structure of a firm. [12]

OR

Q.6.B] Explain the concept of trading on equity. Discuss its advantages. [12]

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