

**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE & ECONOMICS**  
**PONDA – GOA**

**B.COM. (SEMESTER-III) SUPPLEMENTARY EXAMINATION, MAY/JUNE 2016**  
**BUSINESS FINANCE**

DURATION: 2 HOURS

MARKS: 80

INSTRUCTIONS: 1) All questions are compulsory.  
2) Figures to the right indicate full marks.

- Q.I. Answer **ANY FOUR** of the following. (4×4 =16)
1. Explain the significance of financial planning.
  2. Explain the importance of adequate fixed capital.
  3. Distinguish between cost theory and earnings theory of capitalization.  
(any 4 points)
  4. Explain any two types of financial plans.
  5. Write a short note on capital gearing.
  6. Write a short note on EDC.
- Q.II. Answer **ANY FOUR** of the following. (4×4 =16)
1. Write a short note on business finance.
  2. Write a short note on seasonal working capital.
  3. Explain any four causes of under capitalization.
  4. What are the effects of over capitalization on company and on employees?
  5. Explain the types of trading on equity.
  6. Explain the functions of LIC.
- Q.III.A. Explain in detail essential features of a good financial plan. (12)
- OR
- X. Explain in detail any 3 principles of business finance. (6)
- Y. Explain the steps in financial planning. (6)
- Q. IV. A. What is fixed capital? Explain the factors determining fixed capital requirements. (12)
- OR
- B. What is working capital? Explain its features. (12)
- Q.V. A. Distinguish between over capitalization and under capitalization. (12)
- OR
- B. Explain the causes of over capitalization. (12)
- Q.VI. A. Explain the factors influencing capital structure of the company. (12)
- OR
- B. What is trading on equity? Explain its advantages and limitations. (12)

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