

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE
AND ECONOMICS, PONDA-GOA
B.COM. (SEMESTER-III) SUPPLEMENTARY EXAMINATION,
MAY/JUNE 2018
BUSINESS FINANCE – PAPER-I**

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. Write a short note on business finance.
 2. Write a short note on seasonal working capital.
 3. Explain the causes of over-capitalisation (any 4).
 4. Explain the objective of financial plan (any 4).
 5. Write a short note on capital gearing.
 6. Explain objectives of EDC (any 4).
- Q. II. Answer **ANY FOUR** of the following. (4×4 =16)
1. Explain the principles of business finance (any 4).
 2. Explain the importance of adequate fixed capital (any 4).
 3. Explain the effects of over-capitalisation on company and shareholders.
 4. Explain the causes of under-capitalisation (any 4).
 5. Write a short note on sound capital structure.
 6. Write a short note on IDBI.
- Q. III.A. Explain essential features of good financial plan (any 8). (12)
- OR**
- B. Explain steps in financial planning. (12)
- Q. IV.A. Explain factors determining working capital requirements (any 8). (12)
- OR**
- B. Explain features of fixed capital (any 8). (12)
- Q. V.A. Distinguish between over-capitalisation and under-capitalisation. (12)
- OR**
- B. What is cost theory of capitalisation? Explain its merits and limitations. (12)
- Q. VI.A. Explain the factors influencing capital structure of the company.(any 8) (12)
- OR**
- B. Explain advantages (any 4) and limitation (any 4) of trading on equity. (12)

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