

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

B.COM. (SEMESTER-III) EXAMINATION, OCTOBER 2014
BUSINESS FINANCE

Duration : 2 Hours

MARKS : 80

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

- Q. 1 Answer **any FOUR** of the following: - (4 x 4 = 16)
- Types of Trading on Equity.
 - Explain any four principles of business finance.
 - Explain the benefits of balanced capitalization.
 - State and explain any two types of financial plan.
 - "Undercapitalization is bad, Overcapitalization is worse". Comment.
 - Explain how cost theory is different from earning theory.
- Q. 2 Answer **any FOUR** of the following (4 x 4 = 16)
- Write a note on EDC.
 - Explain the significance of adequate working capital.
 - Explain the effects of overcapitalization on company.
 - Write a note on capital gearing.
 - Explain the functions performed by IDBI.
 - Types of working capital.
- Q.3 a) Explain the term capital plan and explain the essentials of good capital plan. (12)
- OR**
- Q.3 x) Critically evaluate the earning theory of capitalization. (12)
- Q.4 a) Define overcapitalization. Suggest the remedies for removal of overcapitalization (12)
- OR**
- Q.4x) Undercapitalization is dangerous to the organization. Comment. (12)
- Q.5a) Define capital structure. Explain various factors influencing the capital structure. (12)

OR

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Q.5x) Explain the factors determining requirement of fixed capital. (12)

Q.6 a) Explain trading on equity with its merits and demerits. (06)

b) Significance of adequate working capital. (06)

OR

Q.6 x) "Financial institutions have changed their functions and role in recent years". Explain. (12)

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Q.7 Answer any FOUR of the following (4 x 4 = 16)

a) Write a note on EOC.

b) Explain the significance of adequate working capital.

c) Explain the effects of overcapitalization on company.

d) Write a note on optimal gearing.

e) Explain factors influencing performance by IDBI.

f) Types of working capital.

Q.7 a) Explain the term capital plan and explain the essentials of good capital plan. (12)

OR

Q.3 x) Critically evaluate the existing theory of capitalization. (12)

Q.4 a) Define overcapitalization. Suggest the remedies for removal of overcapitalization. (12)

OR

Q.4x) Undercapitalization is dangerous to the organization. Comment. (12)

Q.5a) Define capital structure. Explain various factors influencing the capital structure. (12)

OR