

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE
AND ECONOMICS PONDA – GOA
B.COM. (SEMESTER-III) EXAMINATION, OCTOBER 2015
BUSINESS FINANCE**

Duration: 2 Hours

Marks : 80

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- 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)
- a) Explain any four principles of business finance.
 - b) Explain any two types of working capital.
 - c) Explain the functions performed by EDC.
 - d) Explain the types of trading on equity.
 - e) Explain any four remedies to overcome Over-Capitalisation.
 - f) Explain the significance of financial planning.
- Q. 2 Answer **any FOUR** of the following: (4 x 4 = 16)
- a) Explain the benefits of balanced capitalisation.
 - b) State & Explain the types of capital gearing.
 - c) Explain any four point of difference between over-capitalisation and under-capitalisation.
 - d) Explain the function of LIC.
 - e) Explain any four features of fixed capital.
 - f) Explain advantages of cost theory of capitalisation.
- Q.3 a) Briefly Explain the earning theory of capitalisation with its advantages and limitations. (12)
- OR**
- Q.3 x) Explain the factor determining the requirement of fixed capital. (12)
- Q.4 a) Explain the term capital plan. Explain the essential features of good capital plan. (12)
- OR**
- Q.4 x) Define under capitalisation. Explain any five causes of under capitalisation. (12)

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Q.5 a) Explain the factors influencing capital structure of the firm. (12)

OR

Q.5 x) Briefly explain the steps in financial planning. (6)

Q.5 y) Explain the advantages & limitation of trading on equity. (6)

Q.6 a) Explain the function of IDBI. (6)

Q.6 b) Explain the difference between earning theory & cost theory
of capitalisation. (6)

OR

Q.6 x) “Financial institution have changed their function & role in recent year.”
Explain. (12)

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