

**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE**  
**AND ECONOMICS, PONDA GOA**  
**B.COM. (SEMESTER-III) EXAMINATION, OCTOBER 2017**  
**BUSINESS FINANCE-PAPER-I**

Duration: 2 Hours

Marks: 80

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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. Distinguish between business finance and corporate finance.
  2. Explain features of fixed capital. (any 4)
  3. Explain the effects of under-capitalisation.(any 4)
  4. Explain any two types of financial plans.
  5. Distinguish between high capital gearing and low capital gearing.
  6. Write a short note on Economic Development Corporation (EDC).
- Q. II. Answer **ANY FOUR** of the following. (4×4 =16)
1. Write a short note on financial planning.
  2. Explain features of working capital (any 4).
  3. Explain importance of balanced capitalization (any 4).
  4. Distinguish between cost theory and earnings theory of capitalisation.
  5. Explain types of trading on equity.
  6. What is LIC? Explain objectives of LIC (any 3).
- Q. III.A. Explain the role of business finance? Explain the principles of business Finance (any 5). (12)
- OR**
- B. Explain essential features of good financial plan (any 8). (12)
- Q. IV. A. Explain factors determining working capital requirements (any 8). (12)
- OR**
- B. Explain factors determining fixed capital requirements (any 8). (12)
- Q. V. A. Explain the causes of over-capitalisation (any 8). (12)
- OR**
- B. Explain the causes of under-capitalization (any 8). (12)
- Q. VI. A. Explain the factors influencing capital structure of the company (any 8). (12)
- OR**
- B. Explain the importance of sound capital structure (any 8). (12)