

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. (SEMESTER – III) CHOICE BASED CREDIT SYSTEM
EXAMINATION, OCTOBER (SEE) 2018
BUSINESS FINANCE

Duration: 2 Hours

Marks: 80

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INSTRUCTIONS:

1. All questions are compulsory.
2. Answer questions Nos. 3 to 6 in approximately 400 words .
3. Figures to the right indicate the full marks.

- Q I. Answer any four of the following: (16)**
- a. Explain difference between Business Finance and Corporate Finance (any four).
 - b. Explain the role of Business Finance in a developing Economy.
 - c. Briefly explain the types of financial plans.
 - d. What are the sources of fixed capital of a company.
 - e. Explain the classifications of capital.
 - f. Explain the different types of working capital.
- Q II. Answer any four of the following: (16)**
- a. “Over Capitalisation Encourages Window dressing”. Explain the statement.
 - b. Write a short note on Balanced Capitalisation.
 - c. Explain the Cost Theory of capitalisation in detail
 - d. Explain the importance of sound Capital Structure for a Company.
 - e. Explain the types of Capital Gearing.
 - f. Explain any four advantages of ‘Gearing’ for a Company.
- Q III Answer any one of the following: (12)**
- a) Explain the Principles of Business Finance.
 - b) Explain the essentials of a good financial plan.
- Q IV Answer any one of the following: (12)**
- a) What are the factors determining fixed capital requirement of a Company.
 - b) What are the factors determining the Capital requirement of a Company
- Q V. Answer any one of the following: (12)**
- a) What are the causes of Over Capitalisation?
 - b) What are the effects of Under Capitalisation?
- Q VI. Answer any one of the following: (12)**
- a) Explain ‘Trading on Equity’ along with advantages and limitations.
 - b) Explain the factors determining the Capital Structure of a Company.

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