

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE
AND ECONOMICS, PONDA-GOA
B.COM. CBCS (SEMESTER III) EXAMINATION, OCTOBER 2019
BUSINESS FINANCE (CC 9)

Duration: 2 Hours

Marks : 80

Instructions:

1. All questions are compulsory.
2. Numbers to the right indicate marks.
3. Q.No.1 and Q.No.2 to be answered in not more than 100 words.
4. Q.No..3 to Q.N.6 to be answered in not more than 400 words.

Q.1 Answer any FOUR out of the following six questions. (16)

- a) Distinguish between Business Finance and Corporate Finance (Four points).
- b) Features of good Financial Plan.
- c) Sources of Working Capital (Any four).
- d) Remedies for Overcapitalization (Any four).
- e) Types of Trading on Equity.
- f) Factors affecting Capital Structure (Any four).

Q.2 Answer any FOUR out of the following SIX questions. (16)

- a) Types of Financial Plan (Any two).
- b) Share Capital and Debenture Capital as a source of Fixed Capital.
- c) Types of Working Capital.
- d) Causes of Undercapitalization (Any four).
- e) Explain in brief the Earnings Theory.
- f) Advantages of Trading on Equity.

Q.3 a) Discuss the various principles of Business Finance which prove to be crucial for the existence of a business enterprise. (12)

OR

Q.3 b) "Organisational goals can be met only through an effective business finance function". Explain the statement with reference to the role of Business Finance in an organisation. (12)

Q.4 a) State and explain the various factors that determine the working capital requirements of any firm or a company. (12)

OR

Q.4 b) "Adequate amount of fixed capital is an essential pre-requisite for the success of any company". Elaborate on the importance of adequate fixed capital in business. (12)

Q.5 a) Explain the Cost Theory of capitalization and discuss the importance of Balanced Capitalization. (12)

OR

Q.5 b) Account for the causes behind a firm getting overcapitalized and explain the effects of the same on the all the stakeholders. (12)

Q.6 a) What do you understand by Capital Structure? Why is it essential for a firm to design a sound capital structure? (12)

OR

Q.6 a) Write in detail about the concept of Capital Gearing. Explain the types of Capital gearing along with the major advantages for the firm. (12)