

Semester End Examination, Oct-Nov. 2019

Programme: B.COM

Subject: Commerce

Course Code: CC-09

Course Title: Business Finance

Category: Core Course

Semester: III

Paper No: I

Time: 02 Hours

Max. Marks: 80

INSTRUCTIONS:

1. The question paper contains 06 questions spread across 01 page
2. All questions are compulsory.
3. Answer Q.1 & Q.2 in not more than 100 words
4. Answer Q.3 to Q.6 in not more than 400 words
5. Figures to the right in brackets indicate maximum marks

Q1. Write a short note on **ANY FOUR** of the following. (4X4=16)

- a) Role of business finance in an organisation
- b) Features of working capital
- c) Cost theory of capitalisation
- d) Types of capital gearing
- e) Significance of financial planning
- f) Promotional capital

Q2. Write a short note on **ANY FOUR** of the following. (4X4=16)

- i) Types of financial plan
- ii) Sources of fixed capital
- iii) Remedies to overcome under-capitalisation
- iv) Importance of capital structure
- v) Concept of balanced capitalisation
- vi) Financial structure

Q3. Answer **ANY ONE** of the following. (1x12=12)

- A) What is financial planning? Explain the steps involved in financial planning.
- B) Explain the features of financial plan.

Q4. Answer **ANY ONE** of the following. (1x12=12)

- C) Explain the factors determining capital requirements of a company.
- D) What is fixed capital? Explain the features of fixed capital.

Q5. Answer **ANY ONE** of the following. (1x12=12)

- E) What is over-capitalisation? Explain the causes of over-capitalisation.
- F) Explain the effects of under-capitalisation on a company.

Q6. Answer **ANY ONE** of the following. (1x12=12)

- G) Explain the factors influencing capital structure.
- H) What is trading on equity? Explain the types of trading on equity.