DCT's S.S DEMPO COLLEGE OF COMMERCE AND ECONOMICS, Althinho, Panaji.

S.Y.B.Com Semester III (Revised Course) Examination October 2014

BUSINESS FINANCE

Duration: 2 Hours Marks:80

Instructions: i) All questions are compulsory, however internal choice is available.
ii) Figures to the right indicate full marks.

Q.1. Write short notes on any four of the following **4×4=16**

(a) Business finance v/s corporate finance.
(b) Financial planning.
(c) Types of Financial Plan.
(d) Effects of undercapitalization.
(e) Capital gearing.
(f) Balanced Capitalisation.

Q.2 Write short notes on any four of the following **4×4=16**

(a) Concept of financial structure.
(b) Importance of adequate fixed capital.
(c) Classification of capital.
(d) High capital gearing and Low capital gearing.
(e) EDC.
(f) IDBI

Q.3 a) "Finance is the life blood of Business". Discuss in brief with special reference to the principles of business finance.

OR **12 marks**

b) What is a financial plan? Explain the essential features of a good financial Plan.

Q.4 a) What is Capitalisation? Explain briefly the two theories of Capitalisation.

OR **12 marks**

b) Explain the causes of overcapitalization and suggest remedies for the removal of overcapitalization.

Q.5 a) Explain the factors influencing the capital structure of a company.

OR **12 marks**

b) What do you mean by working capital? What factors determine the working capital needs of a business unit?

Q.6 a) Explain the concept of Trading on Equity.

OR **12 marks**

b) "Financial institutions have changed their functions and role in recent years". Explain.