

**GOVERNMENT COLLEGE OF COMMERCE AND ECONOMICS, BORDA  
MARGAO – GOA**

**B. Com (Sem. III) SEMESTER END EXAMINATION, OCTOBER 2019**

**CC 9: Business Finance**

**Duration : 2 hours**

**Max. Marks: 80**

**Instructions:**

- i. All questions are compulsory.
  - ii. Answer sub questions in Questions no. 1 and Question no. 2 in not more than 100 word each.
  - iii. Answer Question no. 3 to Question no. 6 in not more than 400 words each.
  - iv. Figures to the right indicate maximum marks to the question.
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**Q.1. Answer any four of the following:**

**(4x4= 16)**

- a) Give **Four** points of difference between Corporate Finance and Business Finance.
- b) Write the meaning of Financial plan.
- c) Explain the Types of financial plans.
- d) Explain the types of capital.
- e) What is Working Capital?
- f) Explain Any **Four** sources of Working Capital.

**Q.2. Answer any four of the following:**

**(4x4= 16)**

- a) Write the meaning of Overcapitalization.
- b) Explain the Earnings theory of Capitalization.
- c) What is Balanced Capitalization?
- d) What is Trading on Equity?
- e) Write a short note on Financial structure.
- f) Explain any **Two** factors determining capital structure.

**Q.3. A. Explain the meaning and features of Business Finance.**

**(12)**

**OR**

**B. Explain the essential features of a sound financial plan.**

**(12)**

**Q.4. A. Explain the factors determining capital requirement of a company.**

**(12)**

**OR**

**B. What is fixed capital? Explain the features of Fixed Capital.**

**(12)**

**Q.5. A. Explain the meaning and the causes of Undercapitalization.**

**(12)**

**OR**

**B. Explain the Earnings theory of Capitalization, its merits and demerits.**

**(12)**

**Q.6. A. What is Capital Structure? Explain its importance.**

**(12)**

**OR**

**B. Explain the meaning and the advantages of Capital Gearing.**

**(12)**

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