

SARASWAT EDUCATION SOCIETY'S  
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES  
KHORLIM, MAPUSA, GOA.  
S.Y.BCOM THIRD SEMESTER END EXAMINATION NOVEMBER 2023

BUSINESS FINANCE (W.E.F 2018-19) (CBCS)

[Duration: Two Hours]

[Max Marks: 80]

- Instructions:** 1. All questions are **compulsory**, however **internal choice** is available.  
2. Answer sub questions in **Question No. 1** in **not more than 100 words**.  
3. Answer **Question No. 2** in **not more than 400 words**.  
4. Figures to the right indicate **maximum marks** allotted to question/sub-question.  
5. Start each main question on **fresh page**.

**Q.1** Answer in brief **Any Four** of the following questions:

(4x4=16 Marks)

1. Business finance V/S Corporate finance.
2. Explain the need for business finance.
3. Explain any two characteristics of financial plan.
4. Write a short note on Factoring.
5. Explain any two factors determining capital requirement.
6. Explain Sunk and floating capital.

**Q.2** Answer in brief **Any Four** of the following questions:

(4x4=16 Marks)

1. Effects of undercapitalization.
2. Earnings theory V/S Cost theory.
3. Explain in brief Balanced capitalization.
4. Thick equity.
5. Financial structure V/S Capital structure.
6. Write a short note on Capital Gearing.

**Q3.A.** Define Financial plan & explain in detail Steps in financial planning

(12 marks)

**OR**

**B.** Explain in detail various Principles of business finance.

(12 marks)

**Q4.A.** Highlight and explain various Sources of Working Capital.

(12 marks)

**OR**

**B.** Explain in detail factors determining fixed capital requirement.

(12 marks)

**Q5.A.** What is undercapitalization? Explain in detail the Causes of undercapitalization on various stakeholders.

(12 marks)

**OR**

**B.** What is overcapitalization? Explain in detail the effects of overcapitalization.

(12 marks)

**Q6.A.** State and explain the factors affecting capital structure of a company.

(12 marks)

**OR**

**B.** Explain the concept of Trading on Equity and explain in detail its Limitations.

(12 marks)