

Instructions:

1. All question are compulsory
2. Figures to the right indicate marks.

Q.I. Answer any FOUR from the following. (4x4=16)

1. Explain the meaning of business finance?
2. What is promotional capital?
3. What do you mean by under capitalisation?
4. Explain the concept of trading on equity.
5. What are the types of finanacial plan?
6. What is earnings theory of capitalisation?

Q. II .Answer any FOUR from the following. (4x4=16)

1. What are the objectives of financial planning?
2. Explain the importance of capital in a business?
3. What are the difference between business finance and corporate finance?
4. Explain the concept of capital gearing?
5. What do you mean by balanced capitalization?
6. What is working capital?

Q.III(A). Explain the principles of business finance. (12)

OR

Q.III(B). What are the steps involved in financial planning? Discuss the flexibility and liquidity as two features of a good financial plan. (12)

Q.IV(A). State and explain the factors determining working capital requirement. (12)

OR

Q.IV(B). Briefly explain various sources of fixed capital? (12)

Q.V(A). Expalin the causes of over capitalization and the effects of over capitalisation on the company and shareholders. (12)

OR

Q.V(B). Explain cost theory of capitalisation with its merits and demerits. (12)

Q.VI(A). Explain the types of trading on equity. What are the benefits of trading on equity? (12)

OR

Q.VI(B). State and explain the factors influencing the capital structure of a firm

Q.IV(B). Briefly explain various sources of fixed capital?

(12)

Q.V(A). Explain the causes of over capitalization and the effects of over capitalisation on the company and shareholders. (12)

OR

Q.V(B). Explain cost theory of capitalisation with its merits and demerits. (12)

Q.VI(A). Explain the types of trading on equity. What are the benefits of trading on equity? (12)

OR

Q.VI(B). State and explain the factors influencing the capital structure of a firm (12)
