

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,  
NUVEM-GOA**

**SEMESTER END EXAMINATION, NOVEMBER 2022**

**Semester: III of B. Com**

**Course Name: Business Finance**

**Course Code: UCOC105**

**Total Marks: 80 marks**

**Date: 22/11/2022**

**Duration: 2 hours    Pages: 01**

---

*Instructions: 1. All questions are compulsory.  
2. Figures to the right indicate marks.*

**Q.1 Answer any FOUR from the following:** **[4 x 4 = 16]**

- a) Explain the meaning of business finance.
- b) Enumerate the objectives of financial planning?
- c) Explain the meaning of working capital.
- d) Describe the term retained earnings as a source of finance.
- e) Briefly explain the different types of financial plan.
- f) Summarise the concept of capitalisation used in business finance.

**Q.2. Answer any FOUR from the following:** **[4 x 4 = 16]**

- a) Describe the term over capitalisation in any specific business context.
- b) Explain earnings theory of capitalisation.
- c) Identify and state the remedies of undercapitalisation.
- d) Explain the concept of capital gearing.
- e) Explain the concept of capital structure.
- f) List and explain the types of trading on equity.

**3. A. Explain the role of finance in business. Illustrate the features of business finance.** **[12]**

OR

**B. Evaluate the features of sound financial planning.** **[12]**

**4. A. Illustrate on various types of capital required for a business.** **[12]**

OR

**B. Write an overview on working capital and elaborate on its features.** **[12]**

**5. A. Distinguish between undercapitalisation and over capitalisation.** **[12]**

OR

**B. Analyse the causes of over capitalisation and its effects on the company and shareholders.** **[12]**

**6. A. Evaluate the advantages of trading on equity in the capital structure of a company.** **[12]**

OR

**B. Compare and contrast capital structure and financial structure.** **[12]**

---