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Total No. of Pages : 02

Total No. of Questions : 07

B.Com. (Sem.-4th) (2011 Batch)

BUSINESS FINANCE

Subject Code : BCOP-404

Paper ID : [B1143]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and students has to attempt any FOUR questions.

SECTION-A

I. Write short notes on :

- a) Need for calculating Future value
- b) Operating Lease
- c) Present value annuity factor
- d) Temporary working capital
- e) Capital Budgeting
- f) Cost of preference shares
- g) Deep Discount Bonds
- h) Credit terms
- i) ABC technique of inventory control
- j) Wealth Maximization

SECTION-B

2. *“In the past few years, there has been substantial increase in the role of finance manager”*, give your comments. Also explain in detail the role of finance manager in present day business enterprises.
3. i) Given an option to receive money now or later, people prefer to receive money now, why?
ii) What is dividend policy? Also discuss the various forms of dividend.
4. Discuss MM hypothesis regarding affect of Capital structure on value of firm.
5. From the following particulars, calculate the cost of equity
Market value of share = Rs.145
Dividend next year = Rs. 5
Dividend Growth Rate = 8% during next 5 years, 7% from sixth year onwards and upto 10th year and thereafter at 6% forever.
6. What is venture capital? Write a note on organizations providing venture capital.
7. What is net working capital? Explain the factors affecting working capital requirement of a business enterprise.