

**Roll No.**

**Total No. of Pages : 02**

**Total No. of Questions : 07**

**B.Com.(Professional) (2013 to 2017 Batch) (Sem.-4)**

## BUSINESS FINANCE

**Subject Code : BCOP-404**

**M.Code : 22022**

**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 a student has to attempt any **FOUR** questions.

## SECTION-A

- 1. Write short note on the following in 2-5 lines :**
- Explain three merits of management business finance.
  - What is concept of profit maximization?
  - Discuss the significance of leasing.
  - Define role of chief financial officer.
  - Discuss in detail benefits venture capital.
  - Define cost of capital.
  - How will you calculate cost of equity?
  - What do you mean by leverage?
  - How will you calculate gross working capital?
  - Define venture capital.

## **SECTION-B**

2. Define the concept of finance. Discuss in detail nature and scope of finance. What forces are prodding companies in India to accord greater importance to the goal of shareholder wealth maximization? Comment on the emerging role of financial manager in India.
3. AB Ltd is borrowing Rs 50 lakh for a period of 4 years at interest rate 15% repayable in equal installment at the end of each year. Find out the installment amount, the interest paid each year and the total interest paid for the loan.
4. Describe lease financing. What are the methods of financial evaluation of leasing used by lessee to decide cheaper source of finance and by lessor to decide best investment alternative, explain with the help of examples
5. Describe the concept of venture capital. What is the current scenario of venture capital in India? Discuss in detail SEBI guidelines for venture capital in India.
6. What do you mean by capital structure? Discuss in detail various theories of capital structure with the help of examples
7. There are two projects A and B. A has a service life of one years the initial cash outlay for both the projects assumed to be Rs. 20 000 each. The cash proceed from project A (at the end of first year) amounts to Rs 24 000. The cash generated by project B at the end of fifth year is likely to be Rs. 40 200. Assume that the required rate of return is 10 percent. Compute and compare NPV and IRR of the two projects.

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**