| Roll No. | | | | | | | Total No. of Pages: 02 |
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Total No. of Questions: 07

B.Com. (2011 & Onwards) (Sem. – 4)
BUSINESS FINANCE

M Code: 22022 Subject Code: BCOP-404 Paper ID: [B1143]

Time: 3 Hrs. Max. Marks: 60

INSTRUCTIONS TO CANDIDATES:

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

SECTION A

- 1. Write short note on the following:
 - a) Incremental cash flows
 - b) Average Rate of Return
 - c) Weighted average cost of capital
 - d) Operating cycle
 - e) Rights issue
 - f) Baumol model
 - g) Combined leverage
 - h) Optimum capital structure
 - i) Constant dividend per share
 - j) ABC analysis

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SECTION B

- 2. Explain and illustrate the concept of time value of money. Also discuss the different techniques of calculating the future value of money.
- 3. Why preference capital is considered a hybrid form of financing? Discuss the advantages and disadvantages of preference capital.
- 4. Discuss the state of the venture capital industry in India.
- 5. Examine critically the different approaches to the calculation of cost of equity capital.
- 6. What is payback period? Also, discuss the utility of the payback period in determining the internal rate of return.
- 7. What are the objectives of inventory management? Explain the EOQ model. How it can be computed? What assumptions underlie the basic EOQ model?

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