

SECTION-C

Note: Long answer type questions. Attempt any three questions. 3x10=30

- Q.3 What is meant by cost of capital? What are its components and what are the cost of retained earnings?
- Q.4 Explain the various factors which influence the dividend decisions of a firm.
- Q.5 Explain the meaning of the term capital structure and mention the factors affecting capital structure.
- Q.6 Explain the objectives and limitations of financial planning along with suitable examples.
- Q.7 Provide journal entries (with narration) for following :-
- a) Cash Received Rs 5000/- from Aditya.
 - b) Goods purchased Rs - 8000/- from Viney.

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Roll No.

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1st Sem.

Subject : Principles of Finance

Time : 3 Hrs.

M.M. : 100

SECTION-A

Note: Very Short Answer type questions. Attempt any 15 parts. (15x2=30)

- Q.1
- a) Define Implicit cost.
 - b) Write down the full form of NEDC.
 - c) Define Ambiguity.
 - d) Give two causes of under - capitalisation.
 - e) Define Finance.
 - f) What is meant by time value of money?
 - g) Define operating leverage.
 - h) State over-trading.
 - i) Write down the full form of MVA.
 - j) What is meant by long term finance?

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- k) Give 4 uses of Financial Management?
- l) Define the term Profit Maximisation.
- m) Name any two patterns of capital structure.
- n) Define cost theory of capitalisation.
- o) Write any four objectives of financial management.
- p) Define Capitalisation.
- q) Write four uses of short term financing.
- r) Define capital structure.

SECTION-B

Note: Short answer type questions. Attempt any ten parts 10x4=40

- Q.2
- i) Explain cost irredeemable debt.
 - ii) What are the characteristics of cost of capital.
 - iii) Distinguish between over and under capitalisation.

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- iv) What are the various features of capital structure?
- v) Give your viewpoint on the nature of Financial Management?
- vi) What is opinion on capital budgeting?
- vii) Explain four external factors of fixed asset requirements.
- viii) What are the objects achieved by the bonus issue?
- ix) Explain the earning theory of capitalisation.
- x) Explain in Detail the dividend policy of the firm?
- xi) What are the impact of various types of risk?
- xii) How important is it to be strong in principles of finance, to be a finance professionals?
- xiii) Explain the characteristics of capital Budgeting?
- xiv) What are the basic financial decisions?
- xv) What do you mean by financial planning?

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