

B.B.A. (2010 COURSE) SEM- VI : SUMMER - 2018
SUBJECT: b) Elective-III Elements of Corporate Finance (FM)

Day: Wednesday
Date: 02/05/2018

S-2018-1681

Time: 10.00 AM TO 01.00 PM
Max. Marks: 70

N.B.:

- 1) Q No. 1 is **COMPULSORY**.
- 2) Attempt any **FOUR** questions from Q. No.2 to Q. No. 7.
- 3) Each question carries **FOURTEEN** marks.
- 4) Use of electronic calculator / log table is **ALLOWED**.

Q.1 Discuss the various sources of Short Term Finance with its merits and limitations.

Q.2 Distinguish between Long range planning and short range planning.

Q.3 Discuss the importance of Capital structure in Corporate Finance.

Q.4 What is mean by Annual report? Discuss the contents and disclosures of Annual Report.

Q.5 Write short notes on any **TWO** of the following:

- a) Profitability Index
- b) Share Holders Rights
- c) Funds Flow statement

Q.6 What do you mean by Corporate Governance? Discuss important elements of Corporate Governance.

Q.7 Mcdonald Co. Ltd. require an investment of Rs. 25 lacs for 5 year project and expected to generate profit before tax as under:-

Year	Net Profit before tax (Rs.)
1	12,00,000
2	10,00,000
3	8,00,000
4	8,00,000
5	10,00,000

Cost of Capital of the Company is 10%. The following are the present value factors @ 10% p.a.:-

Year 1 - 0.909, Year 2 - 0.826, Year 3 - 0.751, Year 4 - 0.683 and Year 5 - 0.621

The rate of tax applicable to the Company is 50%. You are required to Calculate:-

- 1) Payback period
- 2) Average rate of return
- 3) Net Present Value @ 10%
- 4) Profitability Index @ 10%

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