

BACHELOR OF BUSINESS ADMINISTRATION (CBCS - 2018 COURSE)
B.B.A. Sem-VI : WINTER : 2021
SUBJECT: ELEMENTS OF CORPORATE FINANCE

Day : Wednesday
Date : 02-02-2022

W-18865-2021

Time : 02:00 PM-05:00 PM
Max. Marks: 60

N.B. :

- 1) Attempt any **THREE** questions from section – I and any **TWO** questions from section – II.
- 2) Answer to both the sections should be written in the **SAME** answer book.
- 3) Figures to the right indicate **FULL** marks.

SECTION – I

- Q.1** Elaborate the concept and importance of Capital Structure. (12)
- Q.2** Explain the following: (12)
- i) Importance of Financial Forecasting
 - ii) Features of Capital Budgeting
- Q.3** Distinguish long range financial planning and short range financial planning with suitable examples. (12)
- Q.4** Elaborate the concept of Funds Flow Statement and Cash Flow Statement with suitable examples. (12)
- Q.5** Write short notes on **ANY THREE** of the following: (12)
- a) Retained Earnings
 - b) Venture Capital
 - c) Ratio Analysis
 - d) Annual Report
 - e) Equity Share Capital

SECTION – II

- Q.6** A firm whose cost of capital is 10% is considering two mutually exclusive proposals, A and B the details of which are as follows. (12)

Particulars	Proposal A	Proposal B
Initial Investments	14,00,000	14,00,000
Projected Cash Inflow		
1 st year	2,00,000	2,50,000
2 nd year	3,50,000	4,00,000
3 rd year	4,50,000	5,00,000
4 th year	5,50,000	5,50,000
5 th year	7,50,000	8,50,000

Calculate:

- a) Pay Back Period
 - b) Net Present Value @ 10 % rate of discount
 - c) Profitability Index @ 10 % rate of discount
- Q.7** Explain any three sources of International Finance with suitable examples. (12)
- Q.8** What do you mean by Dividend? Explain factors affecting dividend decisions. (12)

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