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Total No. of Pages: 02

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.
2. **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

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?