

Name. _____		Printed Pages:01		
Student Admn. No.: _____				
School of Business Backlog Examination, June 2023 [Programme: BBA] [Semester: II] [Batch:]				
Course Title: Business Finance		Max Marks: 100		
Course Code: F010201TB		Time: 3 Hrs.		
Instructions:	1. All questions are compulsory. 2. Assume missing data suitably, if any.			
SECTION-A (15 Marks)		5 Marks each		
1.	Explain the impact of dividend decision on price and also the types of dividend decision.	K2	CO1	5
2.	Discuss the various factor affecting capital structure	K3/K 4	CO2	5
3.	Distinguish the operating leverage from financial leverage	K1/K 2	CO3	5
SECTION-B (40 Marks)		10 Marks each		
4.	Explain the approaches of Dividend policy and various factor affecting the dividend policy.	K3/K 4	CO5	10
5.	How Financial management is important for any organization and contrast its classic and modern objectives.	K3/K 4	CO1	10
6.	Discuss the concept of investment, financing, liquidity and dividend decisions under financial management.	K5	CO3	10
7.	Rama company issues 120000 10% debentures of Rs. 10 each at a premium of 10%. The costs of floatation are 4%. The rate of tax applicable to the company is 55%. Complete the cost of debt capital. OR Certain projects require an initial cash outflow of Rs. 25,000. The cash inflows for 6 years are Rs. 5,000, Rs. 8,000, Rs. 10,000, Rs. 12,000, Rs. 7,000 and Rs. 3,000. Calculate pay back period for this uneven flow.	K4/K 5	CO2	10
SECTION-C (45 Marks)		15 Marks each		
8.	Explain the factor affecting working capital management.	K5/K 6	CO4	15
9.	Ms. Alpana has decided to save Rs. 1500 per month for five years for buying a bike. She will earn 6 percent interest on her investment. The bike will cost her Rs. 100,000. Kindly calculate whether she will be able to afford buying the bike with her investment money at the end of 5 years.	K4/K 5	CO2	15
10	Mention the importance of cost of capital. OR Explain various methods of evaluating capital budgeting decisions.	K5/K 6	CO5	15