

Total No. of Questions : 7]

SEAT No. :

PA-1899

[Total No. of Pages : 2

[5953]-203

F.Y.B.B.A. (Semester-II)

PRINCIPLES OF FINANCE

(2019 Pattern) (CBCS)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) Question No. 1 and Question No. 2 are Compulsory.
- 2) Solve any Three Questions from question No. 3 to Question No. 7.
- 3) Figures to the right side indicate full Marks.

Q1) A) Write True or False. [5]

- i) Financial management mainly focuses on all elements of acquiring and using means of financial resources for financial activities.
- ii) Basic objective of Financial Management is maximization of share holder's wealth.
- iii) Current assets are also referred to as working capital.
- iv) The amount invested in the fixed assets of the company is called Reserves Capital.
- v) Funds raised through loans or borrowings are Owners Equity.

B) Fill in the Blanks by the choosing correct answer. (Any 5) [5]

- i) The financial risk is defined as the _____ due to the failure in payment of interest or failure in repayment of borrowed capital.
 - a) Risk of insolvency
 - b) Risk of Over Capitalization
 - c) Risk of Under Capitalization
 - d) Risk of loss of profit
- ii) The finance manager is not accountable for _____
 - a) Managing Human Resources
 - b) Recording Monetary Transaction
 - c) Preparing financial statement
 - d) All of the above

P.T.O.

- iii) Money obtained by issue of shares is known as _____
- a) Debts
 - b) Loans
 - c) Share Capital
 - d) Reserve Funds
- iv) The _____ is expected to be converted in to cash in less than a year.
- a) Building
 - b) Fixed Asset
 - c) Intangible Asset
 - d) Current Asset
- v) Dividend is paid only on _____.
- a) Debenture
 - b) Shares
 - c) Creditors
 - d) Fixed Asset
- vi) Interest at _____ rate is payable on debenture.
- a) Fixed
 - b) Flexible
 - c) Marginal
 - d) Variable

Q2) Short Notes. (Any Three) [15]

- a) Financial Management
- b) Public Deposit
- c) Over Capitalization
- d) Microfinance
- e) Retained Earnings

Q3) Define the term Debenture and Types & Features of Debenture. [15]

Q4) What is mean by Leasing? Explain the features and types of Leasing. [15]

Q5) Explain the term of Finance Manager also explain the role of Finance Manager in details. [15]

Q6) Define the different internal source of finance with advantages and disadvantages. [15]

Q7) What is mean by Under Capitalization? Explain the Causes and Consequences of Under Capitalization. [15]

