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SEAT No. :

[Total No. of Pages: 2

**First Year B.B.A**  
**203: PRINCIPLES OF FINANCE**  
**(2019 Pattern) (Semester -II)(CBCS)**

*Time : 2½ Hours]*

*[Max. Marks : 70*

*Instructions to the candidates:*

- 1) Q. No. 1 to Q.No. 2 are compulsory
- 2) Attempt any three questions from Q.3 to Q.7.

**Q1) A) Write whether the statement is true or false : [5]**

- a) The traditional approach of Financial Management laid emphasis on the problem of long term financing.
- b) Preference shareholders get the accumulated profit.
- c) Capital of the company is split into smaller units termed as 'shares'.
- d) Current assets are also referred to as working capital.
- e) A legal agreement that lets someone use a car, house, warehouse, etc. for a period of time in return for payment is venture capital.

**B) Fill in the blanks by choosing suitable option [5]**

- a) \_\_\_\_\_ separates ownership and use as two economic activities and facilitates assets use without ownership.
  - i) Microfinance
  - ii) Leasing
  - iii) Venture capital
  - iv) Debenture
- b) The state of \_\_\_\_\_ is where the value of assets is much more than it appears in the book of the company.
  - i) under-capitalization
  - ii) deficit financing
  - iii) over-capitalization
  - iv) equilibrium
- c) The \_\_\_\_\_ is expected to be converted in to cash in less than a year.
  - i) Building
  - ii) Fixed Asset
  - iii) Intangible Asset
  - iv) Current Asset

**P.T.O.**

d) Dividend is paid only on \_\_\_\_\_.

i) Debenture

ii) Shares

iii) Creditors

iv) Fixed Asset

e) Interest at \_\_\_\_\_ rate is payable on debenture.

i) Fixed

ii) Flexible

iii) Marginal

iv) Variable

**Q2) Write short note on (any three):**

**[15]**

a) Microfinance.

b) Financial Management

c) Bonus shares.

d) Over Capitalization.

e) Public deposits

**Q3) Explain the term of Finance Manager also explain the role of Finance Manager**

In details.

**[15]**

**Q4) What is mean by shares? Explain different types of shares with its merits. [15]**

**Q5) What is dividend policy? Explain types of and factors affecting dividend**

policy of a company.

**[15]**

**Q6) What is mean by capital structure? Explain different factors determining**

capital structure of the organization.

**[15]**

**Q7) What do you mean by Venture capital? Describe nature and advantages of**

Venture capital.

**[15]**