

2056

M.Com (Entrepreneurship and Family Business)
Second Semester
FB-203: Business management - II (Finance)

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, selecting atleast two questions from each Unit. All questions carry 16 marks.

x-x-x

UNIT - I

1. Explain the discounted cash flow techniques of capital budgeting proposals.
2. Write a detailed note on cost of retained earnings and weighted average cost of capital.
3. What is the difference between MVA and EVA? When should EVA be preferred?
4. Explain ratio analysis and show how current ratio and debt to equity ratio can be calculated and interpreted for a small firm?
5. Outline how CAPM estimates expected returns. What are its limitations?

UNIT - II

6. Discuss any one model of dividend policy using fictitious figures narrating its basic assumptions too.
7. What do you mean by capital structure? Discuss the factors influencing the capital structure of a company.
8. Write detailed notes on:
 - a) Convertible debentures
 - b) Share warrants
 - c) Deep discount bonds
 - d) Advantages and Limitations of issuing debentures for a company
9. What do you mean by venture capital financing? Discuss the recent developments in this area.
10. What do you mean by operating leverage and financial leverage? Give the significance of both.

x-x-x