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B. B. A. (Semester - II) Examination - 2009

PRINCIPLES OF FINANCE

(2008 Pattern)

Time : 3 Hours]

[Max. Marks : 80

Instructions :

(1) *All questions are compulsory.*

(2) *Figures to the right indicate full marks.*

Q.1) Write short notes : (Any Five) [5x4=20]

- (a) Bonus Shares
- (b) Dividend Policy
- (c) Rights of Equity Shareholders
- (d) Capitalisation
- (e) Consequences of Overcapitalisation
- (f) Limitations of Public Deposits
- (g) Borrowed Capital

Q.2) Explain process of Financial Planning in detail. [15]

OR

Q.2) Explain in detail different types of Preference Shares. [15]

**Q.3) What do you understand by Owned Capital and Borrowed Capital ?
Also explain different types of Debentures in detail. [15]**

OR

**Q.3) What do you mean by Capital Structure ? What different criteria should
be considered in determining Capital Structure. [15]**

Q.4) What is Undercapitalisation ? Also explain its causes and consequences. [15]

OR

Q.4) Define Financial Management. Explain in detail the functions of Financial Management. [15]

Q.5) What are the different sources of External Financing ? Also explain advantages and limitations of these sources. [15]

OR

Q.5) Distinguish between : [15]

(a) Shares and Debentures

(b) Equity Shares and Preference Shares