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Total No. of Printed Pages: [01]

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Integrated Dual Degree B. Com - M. Com (Semester – 3rd)

FUNDAMENTAL OF CORPORATE FINANCE

Subject Code: BMCMS1305

Paper ID: [21410117]

Time: 03 Hours

Maximum Marks: 60

Instruction for candidates:

1. Section A is compulsory. It consists of 10 parts of two marks each.
2. Section B consist of 5 questions of 5 marks each. The student has to attempt any 4 questions out of it.
3. Section C consist of 3 questions of 10 marks each. The student has to attempt any 2 questions.

Section – A

(2 marks each)

Q1. Attempt the following:

- a. Three functions of Financial Management
- b. IRR is the rate at which NPV is _____
- c. Gross working capital
- d. WACC
- e. Ploughing back of profits
- f. Annuity
- g. operating leverage formula
- h. formula for cost of retained earnings
- i. Ownership dilution
- j. Capital rationing

Section – B

(5 marks each)

- Q2. What are the advantages of discounted capital budgeting techniques over non-discounted capital budgeting techniques?
- Q3. Why debt is considered a cheaper source of finance, while leveraging the EPS? Explain using an example.
- Q4. Is there an optimal capital structure?
- Q5. Discuss various factors of working capital management.
- Q6. Discuss the criteria to evaluate investment alternatives.

Section – C

(10 marks each)

- Q7. Discuss various theories of capital structure in detail.
- Q8. Discuss various theories of irrelevance and relevance of dividends.
- Q9. Discuss the concept and calculation of various types of cost of capital.