

CLASS: S.Y FM SEM - III (A.T.K.T) SUBJECT: CORPORATE FINANCE - I
MARKS 75 (OLD)

D-15/02/2017

Q1 A. Fill in the blanks.

(05)

1. _____ managements ensures that there is no excessive or shortage of finance.
2. _____ reviews the financial performance of entire organization.
3. Government bonds are free from _____.
4. Equity shares are subject to _____ rate of dividend.
5. Profit is a test of _____ efficiency.

Q1B. True or False

(05)

- 1) Preference shares have fixed rate of dividend
- 2) Cost of equity is a component of cost of capital
- 3) Inflation risk is also known as default risk
- 4) Finance is not important activity of business firm
- 5) Profit is a condition of survival

Q1C Give full forms of the following

(05)

1. BEP
2. ICICI
3. CRISIL
4. MOS
5. SIDBI

Q2 a. What is corporate finance explain its features?

(07)

b.Explain the scope of financial Management ?

(08)

or

aDescribe the qualities of financial manager

(07)

bExplain the components of cost of capital?

(08)

Q3a. Explain the basic principles of Financial plan

(07)

b. Explain the causes of Over capitalization

(08)

or

Q3.c Explain in brief types of Preference Shares.

(07)

Q3 d. What is balanced capitalization?

(08)

Q4. You are furnished with the following information:

Fixed cost	RS.5,000
Variable cost per unit	Rs. 10
Selling price per unit	Rs.20
Actual units sold	1000 units

Calculate

1. P/V Ratio
2. Break even point
3. MOS in units and rupees
4. Sales if profit is rs 15000
5. Profit if sales are 1000 units

Or

Q4 Explain in detail Capital Budgeting.

Q5a. What are the functions of credit rating Agencies?

(15)

Q5b. state the benefits of credit rating agencies to investors.

(07)

Or

(08)

Q5. Short notes (Any 3)

1. Debentures
2. CRISIL
3. CARE
4. Equity shares.
5. Term loan