

FOURTH SEMESTER UG DEGREE EXAMINATION, APRIL 2023**(Regular/Improvement/Supplementary)****BBA HONOURS****GBAH4B15T: CORPORATE FINANCE****Time: 3 Hours****Maximum Marks: 80****PART A: Answer all the questions. Each carries 1 mark.****Choose the correct answer.**

1. Financial management is concerned with
A) mobilisation of funds B) dividend decision C) utilisation of funds D) all of these
2. If risk is more expected return will be.....
A) less B) more C) more or less D) insignificant
3. Time value is important due to.....
A) risk factor B) inflation aspect
C) preference of present consumption D) all of the above
4. Capital budgeting deals with
A) long term decisions B) short term decisions C) both A and B D) None of these
5. Stock dividend is paid in the form of.....
A) bonus share B) right share C) preference share D) none of these

Fill in the Blanks.

6. If NPV is, it is good investment
7. is the cost of obtaining funds
8. is also known as financial leverage
9. Mondigliani and Miller put forward.....theory
10. Firms investment in current asset is known as.....

(10 × 1 = 10 Marks)**PART B: Answer any eight questions. Each carries 2 marks.**

11. What is meant by theory of irrelevance?
12. What is meant by capital structure?
13. Comment on stock split.
14. What do you mean by corporate finance?
15. Give an account of operating income approach.
16. Explain rule 72.

(PTO)

17. What is capital gearing?
18. Enlist the uses of profitability index.
19. What is net working capital?
20. What do you mean by effective interest rate?

(8 × 2 = 16 Marks)

PART C: Answer any six questions. Each carries 4 marks.

21. Give the advantages of stable dividend policy.
22. Explain the terms risk, return and its relationship.
23. What are the functions of a financial manager?
24. Differentiate bonus issue and stock split.
25. Explain the strategies to improve the wealth of owners.
26. Rs. 100 par value bond bears a coupon rate of 14 percent and matures after 5 years. Interest is payable semi annually. Compute the value of the bond if the required rate of return is 16%
27. Explain the approaches to capital structure.
28. What is operating cycle?

(6 × 4 = 24 Marks)

PART D: Answer any two questions. Each carries 15 marks.

29. Explain the factors influencing capital structure.
30. Discuss the techniques of risk analysis.
31. 'Finance is the life blood of business' comment.

(2 × 15 = 30 Marks)