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BBA-2074

B. B. A. (Third Semester)
EXAMINATION, 2024-25
BUSINESS FINANCE—I

Time : Two Hours

Maximum Marks : 70

Note : Attempt questions from all Sections as directed.

Section—A

(Very Short Answer Type Questions)

Note : Attempt any *five* questions in **30** words.

Each question carries 6 marks. $5 \times 6 = 30$

1. Explain the concept of term loans.
2. What is profit maximization ?
3. Define ordinary shares.
4. Differentiate convertible preference shares from non-convertible preference shares.

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5. Elucidate the term capital structure of a firm.
6. What is weighted average cost of capital ?
7. State the opportunity cost concept.
8. Discuss the implications of operating leverage.
9. How will you calculate the cost of preference shares ?
10. State the features of venture capital.

Section—B

(Short Answer Type Questions)

Note : Attempt any *two* questions in 150 words. Each question carries 10 marks. $2 \times 10 = 20$.

1. What are the roles of a finance manager in a firm ?
2. What are debentures ? State its advantages.
3. Discuss the NI approach to capital structure.
4. State the concept of financial leverage.

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Section—C

(Long Answer Type Questions)

Note : Attempt any *one* question in
300 words. Each question carries
20 marks. $1 \times 20 = 20$

1. What is business finance ? Explain the stages of evolution of business finance.
2. "Retained earnings are a source of internal financing." Comment.
3. What are preference shares ? Explain its features and types.
4. Discuss the venture capital investment process.

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