

**Bachelor of Commerce (B.Com.) Semester—VI Examination**

**BUSINESS FINANCE—II**

**Paper—6-1**

**Foundation Group—II**

Time : Three Hours]

[Maximum Marks : 80

**N.B. :—** (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (A) State the objectives and functions of financial system. 8  
 (B) Explain the features and composition of money market. 8

**OR**

- (C) Write a note on regulatory authorities governing financial and capital market. 8  
 (D) Explain in detail the regulations issue by SEBI. 8  
 2. (A) State the functions and scope of primary market. 8  
 (B) From the following information advice PQR Co. which of the following two projects should be selected on the basis of pay back period :

Particulars	X	Y
Annual Cash Flows	20,000	25,000
Initial Investment	1,00,000	1,00,000
Life of the Project	10 Years	10 Years

8

**OR**

- (C) Calculate the Net Present Value from the following details if cost of fund is 8% and if cost of fund is 10% :

Particulars	Amount
Initial Outflow	40,000
Cash flow p.a. :	
1 Year	16,000
2 Year	20,000
3 Year	16,000

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3. (A) State the benefits available to investors with the help of credit rating agencies in India. 8  
 (B) From the following information calculate market price of shares by using Walter's method :

Earnings per share	Rs. 9
Internal Rate of Returns	18%
Cost of Capital	12%
Dividend Payout Ratio	33.33%

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**OR**

- (C) Earnings per share is Rs. 20, expectation rate of shareholder is 10%. Calculate the market value of share by Gordon's method if dividend payout ratio is 0%, 40%, 80% and 100% and growth rate is 15%, 9%, 3% and 0% respectively. 16

4. (A) What are the limitations of Cash Flow Statement ?

8

(B) From the following information of calculate the operating profit before the changes in working capital. The net profit of the company for the year ended on 31<sup>st</sup> March, 2018 is Rs. 1,750 :

<b>Particulars</b>	<b>Amount (Rs.)</b>
Purchase of Machinery	60,000
Sale of Machinery	60,000
Sale of Building	90,000
Provision for Taxation	22,500
Payment of Tax	20,000
Payment of Dividend	13,000
Loss on Sale of Machinery	2,250
Transfer to General Res.	5,250
Profit on Sale of Machinery	11,250
Depreciation on Building	14,250

8

**OR**

(C) From the following Balance Sheet of A Co. Ltd., prepare the Cash Flow Statement :

<b>Particulars</b>	<b>30.03.2017</b>	<b>31.03.2018</b>
<b>Liabilities :</b>		
Share Capital	40,000	50,000
Debentures	11,000	14,000
Profit & Loss A/c	14,000	20,000
General Reserve	12,000	14,000
Outstanding Expenses	4,000	5,000
Creditors	10,000	12,000
	91,000	1,15,000
<b>Assets :</b>		
Fixed Assets	40,000	50,000
Goodwill	14,000	12,000
Inventory	16,000	20,000
Debtors	12,000	20,000
Bank	5,000	7,000
Bills Receivables	4,000	6,000
	91,000	1,15,000

16

5. (A) What are the types of Financial Markets ? 4

(B) From the following information calculate ARR (Average Rate of Return) :

Particulars	Amount
Capital Cost	1,00,000
Net Cash inflow before Tax	60,000
Rate of Tax	50%
Expected Life	5 Years

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(C) What will be the market of a share by Walter model of IRR is 15%, cost of equity share is 12%, EPS is Rs. 8 and dividend payout ratio is 25% ? 4

(D) From the following information find out the operating profit before the changes in working capital of XYZ Co., Ltd. :

Particulars	Amount
Profit & Loss A/c 01.04.2017	2,00,000
Profit & Loss A/c 31.03.2018	2,80,000
Sale of Furniture	4,00,000
Transfer to General Reserve	40,000
Depreciation on Land & Building	40,000
Loss on Sale of Machinery	20,000
Provision of Taxation	80,000
Dividend Paid	30,000

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(मराठी माध्यम)

1. (अ) वित्तीय प्रणालीचे उद्देश आणि कार्ये लिहा. 8
- (ब) नाणे बाजाराची वैशिष्ट्ये आणि रचना स्पष्ट करा. 8
- किंवा
- (क) वित्तीय व भांडवल बाजाराला शासित करणारे नियामक प्राधिकरणावर टिपा लिहा. 8
- (ड) सेबीने निर्गमित केलेले नियम विस्तृतपणे स्पष्ट करा. 8
2. (अ) प्राथमिक बाजाराची कार्ये आणि व्याप्ती स्पष्ट करा. 8
- (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
3. (अ) भारतामध्ये क्रेडिट रेटिंग एजेंसी (Credit Rating Agencies) चे गुंतवणुकदारांना होणारे फायदे स्पष्ट करा. 8
- (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
4. (अ) रोख प्रवाह विवरणाच्या मर्यादा कोणत्या लिहा ? 8
- (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 16
5. (अ) वित्तीय बाजाराचे प्रकार कोणते ते लिहा ? 4
- (ब) इंग्रजी माध्यमानुसार. 4
- (क) इंग्रजी माध्यमानुसार. 4
- (ड) इंग्रजी माध्यमानुसार. 4

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(हिन्दी माध्यम)

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|-------------|--|----|
| 1.          | (अ) वित्तीय प्रणाली के उद्देश्य और कार्य लिखिये।   | 8  |
|             | (ब) पेशा बाज़ार की विशेषताएं और रचना स्पष्ट कीजिये।  | 8  |
| <b>अथवा</b> |  |    |
|             | (क) वित्तीय और पूंजी बाज़ार को शासित करने वाले नियामक प्राधिकरण पर टिप्पणी लिखिये।                             | 8  |
|             | (ड) सेबी ने निर्गमित किये नियम विस्तृत में स्पष्ट कीजिये।  | 8  |
| 2.          | (अ) प्राथमिक बाज़ार के कार्य और दायरा (scope) स्पष्ट कीजिये।   | 8  |
|             | (ब) अंग्रेजी माध्यम के अनुसार।   | 8  |
| <b>अथवा</b> |  |    |
|             | (क) अंग्रेजी माध्यम के अनुसार।   | 16 |
| 3.          | (अ) भारत में क्रेडिट रेटिंग एजेंसी (Credit Rating Agencies) का गुंतवणुकदारों को होने वाले फायदे स्पष्ट कीजिये। | 8  |
|             | (ब) अंग्रेजी माध्यम के अनुसार।   | 8  |
| <b>अथवा</b> |  |    |
|             | (क) अंग्रेजी माध्यम के अनुसार।   | 16 |
| 4.          | (अ) नगदी (रोक) प्रवाह विवरण की सीमाएं लिखिये।  | 8  |
|             | (ब) अंग्रेजी माध्यम के अनुसार।   | 8  |
| <b>अथवा</b> |  |    |
|             | (क) अंग्रेजी माध्यम के अनुसार।   | 16 |
| 5.          | (अ) वित्तीय बाजार के प्रकार लिखिये।  | 4  |
|             | (ब) अंग्रेजी माध्यम के अनुसार।   | 4  |
|             | (क) अंग्रेजी माध्यम के अनुसार।   | 4  |
|             | (ड) अंग्रेजी माध्यम के अनुसार।   | 4  |