

Subject : Elective - III c) Elements of Corporate Finance (Finance)

Day : Thursday

Date : 15/12/2016

S.D.E.



Time : 02.00 PM TO 05.00 PM

Max Marks : 80 Total Pages : 1

N.B:

- 1) Answer any **THREE** questions from section-I and any **TWO** from section-II.
 - 2) Each question carries **16** marks.
 - 3) Answers to both sections to be written in **SAME** answer book.
 - 4) Use of non programmable **CALCULATOR** is permitted.
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SECTION-I

- Q.1** Explain the term Debentures. What are its types? Explain its advantages.
- Q.2** What are the factors which influences Working Capital requirement of a company?
- Q.3** Explain the components of Financial Environment.
- Q.4** What are the considerations in Financial Planning?
- Q.5** Write short notes on **Any TWO** of the following:
- a) Non Government Company
 - b) Preference Shares
 - c) Right Shares
 - d) Rights of Shareholders

SECTION-II

- Q.6** Explain the advantages and limitations of following bank credit facilities.
- a) Project Loan
 - b) Cash Credit Facility
 - c) Bill discounting Facility
- Q.7** What are the steps involved in formation of a company?
- Q.8** Amit Ltd manufactures a product which has the breakup of cost per unit as under
Material Cost Rs. 20/-, Wages Rs 10, Production overheads Rs. 5/-
Selling price per unit is Rs. 50 /-
The company produces 3,000 units per year.
Additional information.
- 1) Customers are given credit of three months credit.
 - 2) Wages are paid in the next moth.
 - 3) Production over heads are paid after 15 days.
 - 4) Raw material in stock is of one month
 - 5) Company maintains cash balance of Rs. 1,50,000/-
 - 6) Creditors for material give two months credit.
 - 7) Contingency Margin is 15%.
- There is no opening or closing stock of finish goods
You are required to compute the amount of working capital for the company.

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