

**Note : 1) Attempt any FIVE questions.**

**2) Each question carry 20 marks.**

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| Q. 1 | a) What are the different important financial decision made by a firm.   | 10 |
|      | b) Comment on the suitability of Public Deposits as a source of business finance.                                    | 10 |
| Q. 2 | a) Define working capital. Explain factors that determine the working capital needs of a business unit.              | 10 |
|      | b) What do you mean by financial leverage. Explain its limitations.  | 10 |
| Q. 3 | a) What is under capitalization. Explain its causes and effects. Suggest remedial measures to rectify the situation. | 20 |
| Q. 4 | a) Discuss the components of a formal financial system.  | 10 |
|      | b) Explain Treasury Bill Market and Commercial Bill Market as important segments of money market.                    | 10 |
| Q. 5 | a) Define Venture capital. Explain its important characteristics.  | 10 |
|      | b) What services are rendered by merchant bankers.   | 10 |
| Q. 6 | a) Explain the concept of credit rating. How do credit rating agencies rate an instrument.                           | 10 |
|      | b) What different types of speculative transactions take place on a stock exchange.                                  | 10 |
| Q. 7 | a) Write a note on role of mutual funds in the development of a country.   | 10 |
|      | b) What important measures are taken by SEBI to protect investors interest.  | 10 |
| Q. 8 | Write short notes. (any-2)   | 20 |
|      | a) Equity Shares.  |    |
|      | b) Capital structure   |    |
|      | c) Depository System   |    |
|      | d) Stock Market Index  |    |

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