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DEBB504

Reg. No.

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V Semester B.B.A. Degree Examination, January/February - 2025

BUSINESS ADMINISTRATION

Advanced Corporate Financial Management

(NEP Scheme (F+R))

Time : 2½ Hours

Maximum Marks : 60

*Instructions to Candidates : Answer should be written in English only.***SECTION - A**

Answer any Five of the following questions. Each question carries Two marks.

(5×2=10)

1. a) Give the meaning of cost of capital.
- b) Provide any two assumptions of NI Approach.
- c) What is business risk.
- d) Give the meaning of cash management
- e) What is dividend
- f) State any two motives of holding inventory.
- g) State any two types of risks in capital budgeting.

SECTION - B

Answer any Four of the following questions. Each question carries Five marks.

(4×5=20)

2. Explain the significance of stable dividend policy.
3. Following is the capital structure of Narayana Company.

	Rs.
Equity capital	4,00,000
10% preference share capital	2,00,000
Retained earnings	1,00,000
5% Debentures	3,00,000
	<u>10,00,000</u>

Cost of Equity is 15% and retained earnings is 8% . Calculate the weighted average cost of capital.

[P.T.O.]