

**Total No. of printed pages = 3**

**63/2 (SEM-1) MCO 106 (OE)**

**2021**

**(held in 2022)**

**COMMERCE**

**(Theory Paper)**

**Paper Code : MCO-106 (OE)**

**(Business Finance)**

**Full Marks – 50**

**Time – Two hours**

**The figures in the margin indicate full marks  
for the questions.**

**1. Choose the correct answer : 2×5=10**

**(i) Business finance consists of**

- (a) Short-term Fund**
- (b) Short-term Fund and Medium-term Fund**
- (c) Short-term Fund, Medium-term Fund and Long-term Fund**
- (d) None of the above**

**[Turn over**

(ii) Which of the following is a source of short-term funding ?

- (a) Commercial Stock
- (b) Commercial Papers
- (c) Corporate Bonds
- (d) Retained Earnings

(iii) In business finance, 'Working Capital' means

- (a) Current Assets
- (b) Current Liabilities
- (c) Capital
- (d) Current Assets minus Current Liabilities

(iv) Factoring is a kind of

- (a) Production Plan
- (b) New Financial Services
- (c) Working Capital
- (d) Current Assets

(v) Which of the following is not the source of long-term finance ?

- (a) Public Deposit
- (b) Equity Shares
- (c) Asset Securitisation
- (d) Retained Earnings

2. Answer the following questions :  $5 \times 4 = 20$

- (a) Define Business Finance. Mention its features.
- (b) Write the importance of business finance for small business firms.
- (c) Write a short note on convertible loan notes.
- (d) What are the factors to be considered in taking investment decision ? Briefly discuss.

3. Explain the relationship between finance and accounting. 10

Or

Write the differences between business risk and financial risk. How is business risk calculated ?  
 $5 + 5 = 10$

4. Explain briefly the various sources of Business Finance. 10

Or

Discuss the financial functions performed by a financial manager in business organisation. 10