

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Law on Corporate Finance Sec & Unsec
Program: BBA LLB (BFIL)
Course Code: CLBN4002

Semester: VII
Duration: 03 hrs.
Max. Marks: 100

Instructions: Attempt all questions. Read questions properly.

SECTION A
(Type the answers in test box)

Objective Type Questions/Definitions/fill in the blanks

5Q x 2M = 10 Marks

| Q. No. | | Marks | CO |
|--------|--|-------|-----|
| 1 | Shareholder's wealth increases with the increase in: (a) EPS. (b) Market value of the firm. (c) Dividend & market value of the firm. (d) Market price of the equity share. | 2 | CO1 |
| 2 | How is the P/E ratio calculated? (a) Market value/quick ratio. (b) Earnings per share/market capitalization. (c) Market value per share/earnings per share. (d) None of the above. | 2 | CO1 |
| 3 | By corporates: making gifts of money, goods, or time to help non-profit organizations, groups or individuals is: (a) Corporate social marketing. (b) Cause marketing. (c) Cause-related marketing. (d) Corporate philanthropy. | 2 | CO1 |
| 4 | A capital investment is one that (a) Has the prospect of long term benefit. (b) Has the prospect of short term benefit. (c) Is only undertaken by large corporations. (d) Applies only to investment in fixed assets. | 2 | CO1 |
| 5 | Limited Liability is main feature of: (a) Sole Proprietorship. | 2 | CO1 |

| | | | |
|--|--|--|--|
| | (b) Partnership. (c) Corporations. (d) NGOs. | | |
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SECTION B
(Scan and upload)

(Conceptual based question) 4Q x5M=20 Marks

| Q. No. | | Marks | CO |
|--------|---|-------|-----|
| 1 | A corporation may prefer internal to external financing for several reasons. Comment. | 5 | CO2 |
| 2. | What are the capital requirements of a new company? Explain each element. | 5 | CO2 |
| 3 | Write a short note on Intercorporate Loans. | 5 | CO2 |
| 4 | Explain the difference between shares and debentures. | 5 | CO2 |

SECTION-C
(Scan and upload)

(Descriptive/Analytical Questions) 2Qx10M=20 Mark

| Q.No. | | Marks | CO |
|-------|--|-------|-----|
| 1 | What do you mean by corporate finance ? Explain the scope and importance of corporate finance. | 10 | CO3 |
| 2 | Explain the meaning of equity share capital of a company, along with examples of instruments/securities which can be issued. | 10 | CO3 |

SECTION-D
(Scan and upload)

(Case Studies/ Application Based Questions) 2Qx25M =50 Marks

| Q.No. | | Marks | CO |
|-------|---|-------|----|
| | <p style="text-align: center;">Capital Budgeting Process Cycle</p> | | |

| | | | |
|----------|---|----|-----|
| 1 | In light of the above illustration on the process cycle, explain the: (a) principles of capital budgeting, meaning and importance. Analyse if the same principles will apply to a company which is in the business of manufacturing coffee cups. | 25 | CO4 |
| 2 | Based on the capital budgeting exercise, if a company needs to invest for long term (both in debt and equity), what investment instruments will you suggest. Explain your choices in details, along with the analysis on risks and returns (in the context of time value of money). | 25 | CO4 |