

[Maximum Marks : 80

Note :- All questions from each section carry equal marks. All questions are compulsory and answer limit are approximately 250 words. Start the answer of each section from new page. Maximum limit of pages of answer booklet are approximately 16 pages. Answer should be written by the student in his/her own handwriting mandatory. The first page of answersheet should be download by the student from university website www.bubhopal.ac.in is mandatory.

1. Define and Explain Present Value of an Annuity.

Also Solve : You borrow Rs 60,000 and you have to re-pay in 8 equal annual installments with the first payment made exactly 1 year later. If Interest is compounded at 14% annually find the value of Installment. Given that Present Value Interest Factor of Annuity (**PVIFA**) for 8 years at 14% Interest factor is equal to **4.6386**

2. Define and Explain Capital Structure and term "Debt Equity Mix". Also Explain At least Four Factors which determine Capital Structure.

3. Define and Explain Venture Capital Financing and its Stages in Detail. Highlight its Importance with Reference to Evolving Entrepreneurial Scenario in India.

4. While Taking the Help of Capital Budgeting for Accepting or Rejecting Mutually Exclusive Projects Decisions. Which of the Method i.e. Either Net Present Value (NPV) Or Profitability Index (P.I.) Method should be given Priority and Why ? Explain with an Example.

5. Define and Explain Debentures. Give **Two Disadvantages Each** (a) To Company (b) To Investors; of Using Debentures as a source of Finance.