



17158



BRAINWARE UNIVERSITY

Term End Examination 2025-2026

Programme – LL.B.-2022/LL.B.-2023

Course Name – Law on Corporate Finance

Course Code - LLB503A

(Semester V)

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Brainware University
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Identify the financial market for long-term funds.
 - a) Money market
 - b) Capital market
 - c) Primary market
 - d) Secondary Market
- (ii) Select among the following, which is involved in the book building process.
 - a) Efficient price discovery
 - b) Improving books of accounts
 - c) Price reduction
 - d) Booking a new apartment
- (iii) Select the accounts from which Bonus share can be issued-
 - a) Securities premium account
 - b) Capital redemption fund
 - c) Free reserve
 - d) All of these
- (iv) Choose the activity for which the Treasury Bills are issued by government.
 - a) Lending
 - b) Borrowing
 - c) Investing
 - d) Saving
- (v) Report the main risks covered under the the credit rating analysis of CRISIL.
 - a) Business, financial and management
 - b) Business, financial and default
 - c) Financial, management and default
 - d) systematic, unsystematic and management
- (vi) State the objective of wealth maximization.
 - a) Maximizing shareholder wealth
 - b) Minimizing costs
 - c) Increasing sales
 - d) None of these
- (vii) Choose the term that refers to the value of a firm assets minus its liabilities.
 - a) Equity
 - b) Debt
 - c) Assets
 - d) Liabilities
- (viii) Identify the financial statement that shows a company profitability over a period of time.
 - a) Income statement
 - b) Balance sheet
 - c) Cash flow statement
 - d) Statement of retained earnings
- (ix) List the components of corporate borrowings.

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- a) Equity, Debentures, and Loans
 - b) Bonds, Bank Loans, and Debentures
 - c) Assets, Liabilities, and Debentures
 - d) Working Capital, Fixed Capital, and Reserves
- (x) Select the term that refers to the risk associated with the overall economy.
- a) Systematic risk
 - b) Unsystematic risk
 - c) Business risk
 - d) Financial risk
- (xi) Choose the correct statement about wealth maximization.
- a) It ignores the time value of money
 - b) It focuses on maximizing long-term shareholder value
 - c) It is concerned with increasing short-term profits
 - d) It prioritizes revenue over costs
- (xii) Choose the financial ratio that measures a company long-term solvency.
- a) Debt-to-equity ratio
 - b) Current ratio
 - c) Quick ratio
 - d) Inventory turnover
- (xiii) Identify which authority regulates managerial remuneration in corporations.
- a) Securities and Exchange Commission (SEC)
 - b) The Board of Directors
 - c) The General Meeting of Shareholders
 - d) The Government Finance Department
- (xiv) Define the primary objective of creditor protection.
- a) To safeguard shareholder interests
 - b) To secure the company market reputation
 - c) To ensure timely payment of debts
 - d) To protect company assets from being misused
- (xv) Identify the role of regulation in protecting investors.
- a) To ensure fair market competition
 - b) To maintain market liquidity
 - c) To promote investment in high-risk companies
 - d) To provide transparency and prevent fraud

Group-B

(Short Answer Type Questions) 3 x 5=15

- 2. Define zero coupon bond with example. (3)
- 3. State the concept of required rate of return. (3)
- 4. State the concept of holding period return. (3)
- 5. Define corporate finance. (3)
- 6. Examine the effect of SEBI regulations on corporate fundraising. (3)

OR

Assess the significance of charges in securing corporate loans. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

- 7. List and explain the seven major objectives of corporate finance. (5)
- 8. Explain the concept and types of capitalization. (5)
- 9. Enumerate the different types of securities used in corporate finance. (5)
- 10. Distinguish the use of internal versus external sources of working capital. (5)
- 11. Summarize dividend return and capital return. (5)
- 12. Judge the necessity of creditor protection provisions. (5)

OR

Analyze the role of corporate governance in financial structuring. (5)
