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BRAINWARE UNIVERSITY
SCHOOL OF LAW
Barasat, Kolkata- 700125

BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – BBA LL.B.-2020

Course Name – Law on Corporate Finance

Course Code - BBALLB903A

(Semester IX)

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) Select the term that refers to the rate of return required by investors to invest in a company securities.
- | | |
|-----------------------|---------------------|
| a) Cost of capital | b) Dividend yield |
| c) Capital gain yield | d) Return on assets |
- (ii) Choose the financial ratio that measures a company ability to pay its short-term debts.
- | | |
|------------------|-------------------------|
| a) Current ratio | b) Debt-to-equity ratio |
| c) Profit margin | d) Return on equity |
- (iii) List the components of corporate borrowings.
- | | |
|--|---|
| a) Equity, Debentures, and Loans | b) Bonds, Bank Loans, and Debentures |
| c) Assets, Liabilities, and Debentures | d) Working Capital, Fixed Capital, and Reserves |
- (iv) 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 |
- (v) Select the term that refers to the process of managing a company cash flows.
- | | |
|--------------------------|-------------------------------|
| a) Cash management | b) Working capital management |
| c) Financial forecasting | d) Risk management |
- (vi) Choose the financial ratio that measures a company efficiency in managing its inventory.
- | | |
|------------------------------|---------------------------------|
| a) Inventory turnover | b) Accounts receivable turnover |
| c) Accounts payable turnover | d) Debt-to-equity ratio |
- (vii) Identify the financial instrument that represents ownership in a company.
- | | |
|------------------|---------------|
| a) Equity Shares | b) Debentures |
| c) Deposits | d) Bonds |

- (viii) Identify the type of financing that is often used by startups to raise capital.
- a) Equity financing
b) Debt financing
c) Hybrid financing
d) Venture capital
- (ix) Choose the correct option that best describes corporate membership rights.
- a) Rights exclusive to founding members
b) Rights granted only to employees
c) Rights and privileges granted to shareholders
d) Rights applicable only to large shareholders
- (x) Choose the tool used by the RBI to control inflation:
- a) Open Market Operations
b) Taxation policies
c) Foreign direct investment
d) Industrial licensing
- (xi) Choose the risk associated with financing through debt rather than equity:
- a) Market risk
b) Financial risk
c) Business risk
d) Operational risk
- (xii) Select the head of income under which pension income is taxable:
- a) Income from Salary
b) Income from House Property
c) Capital Gains
d) Income from Business or Profession
- (xiii) Choose the situation in which a creditor may seek legal protection:
- a) A company declares dividends
b) A company defaults on its loan obligations
c) A company issues new shares
d) A company merges with another entity
- (xiv) Identify the financial instrument that typically offers the highest level of protection to investors:
- a) Common stocks
b) Government bonds
c) Corporate bonds
d) Derivatives
- (xv) State the primary purpose of a budget
- a) To save for retirement
b) To track income and expenses
c) To invest in stocks
d) To pay off debt

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Describe the role of CFO of a company. (3)
3. Describe the importance of Return On Investment in finance. (3)
4. Define the term capitalization. (3)
5. Discuss what are the long-term financial decisions made by a company. (3)
6. Discuss the Monetary policy (3)

OR

Enumerate the main objectives of SEBI. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Classify different types of shares with their main features (5)
8. Justify the process of issuing debentures in the corporate world. (5)
9. Classify the various sources of working capital for a business. (5)
10. Explain the importance of Article of association in a company. (5)
11. Justify the importance of balancing debt and equity in a company capital structure. (5)
12. Summarize the power of SEBI. (5)

OR

Justify how does SEBI regulate insider trading activities. (5)