

13. a) Give a critical appraisal of the 1) Net Income Approach and 2) Net Operating Income approach to the theory of capital structure. 13 K2 CO3

OR

- b) Explain the factors that influence the planning of capital structure in practice. 13 K2 CO3

14. a) i) Discuss in detail about the factors determining working capital. 6 K2 CO4

- ii) Prepare an estimate of working capital requirement from the following details of a company which has a paid up share capital of Rs. 10,00,000, 6% debentures of Rs. 1,00,000 and fixed assets of Rs. 7,50,000. 7 K2 CO4

(a) The monthly production and sales will be 5,000 units to be sold at Rs. 15 each.

(b) The per unit costs will be: Materials Rs. 6.00, Wages Rs. 4.50, and expenses Rs. 1.50.

(c) Raw materials and finished goods will remain in stock for 1.5 month and 2 months respectively.

(d) The process time will be 1 month.

(e) The credit allowed to debtors and received from creditors will be 2 months and 1 month respectively.

OR

- b) i) State the consequences of inadequate working capital. 6 K2 CO4

- ii) Write a short note on the inventory management techniques. 7 K2 CO4

15. a) i) Write down the features of new issues market. 6 K2 CO5

- ii) Differentiate leasing and hire purchases. 7 K2 CO5

OR

- b) i) Discuss the various stages of venture capital financing. 6 K2 CO5

- ii) What are the primary sources for raising long-term capital for your proposed automobile industry in India, and how will these long-term funds contribute to the sustainability of your business? 7 K2 CO5

**PART - C (1 × 15 = 15 Marks)
(Compulsory)**

16. a) Analyze the role of venture capital financing in fostering entrepreneurship in India. How do venture capitalists assess risk, and what factors contribute to the growth of a venture capital ecosystem in India? 15 K4 CO5