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Register Number:

DATE: 18-03-202

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU-27**

**UG – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

**(Examination conducted in January-March 2022)**

**BC OE1 : Fundamentals of Finance**

Time- 2 Hours Max Marks-60 marks

**This paper contains two printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**2 x 5 = 10 marks)**

1. Define Personal Finance.
2. State any two factors that influences personal financial planning.
3. Name any two techniques of investment decisions.
4. Mention any two roles of public finance that contributes towards economic development of a country.
5. Define Public Revenue. State any two sources of public revenue.
6. State any two principles of Islamic finance?

**Section B**

**II.** Answer ***any three*** of the following (**5 x 3 = 15 marks)**

1. Briefly explain the meaning of Investor’s life cycle and its phases.
2. Give the meaning of Cash Dividend. Briefly explain the basic approaches to dividend payments.
3. Define Working capital management. Briefly explain the factors influencing working capital requirements in a business enterprise.
4. A really ‘good’ tax system is extremely difficult to achieve for several reasons. It does not have a standard or fixed format. Its contents can be identified only by trial and error methods. Assess this statement. Do you agree/disagree with this statement? Give reasons for your answer.
5. Briefly explain the role and importance of FinTech Companies in India.

**Section C**

**III.** Answer ***any two*** of the following (**10 x 2 = 20 marks)**

1. “Failing to plan is planning to fail”. In this context, explain in detail the steps involved in Personal Financial Planning.
2. Explain in detail the objectives of Corporate Finance.
3. Describe in detail the canons of public expenditure and comment on their relevance in a modern state.

**Section D**

**IV. Answer the following (15marks)**

1. Mr. Aden started his career back in 2002 and got into the habit of utilising credit cards for all his needs. He had many of them along with personal loans. Aden also saw a lifestyle enhancement through credit. He had a lot of loans and kept changing his location due to career opportunities. Unfortunately, it led to a lot of default in his payments.

He was unaware of the consequences of his bad handling of credit till a loan was rejected in 2012. He accessed his credit score and was surprised to find that it was very low and this clearly showed how much he had mismanaged his finances.

Most of the defaults on his loans were of the time during his initial days. There was no recourse for him now but to improve it. He took advice from a friend who worked in finance.

His friend noticed that Aden had defaulted on his unsecured loans but he managed to repay his Car and Home Loans and he hadn’t defaulted on their EMIs. One aspect which he managed very carefully was that he never defaulted on his secured loans.

After taking his friend’s advice, Aden’s Credit Score started to increase and saw a fairly good improvement.

Read the above passage and answer the following questions:

1. Give the meaning of Credit score. Briefly explain the importance of credit score in an individual’s financial life. (5 marks)
2. What are the various factors affecting credit score? (5 marks)
3. If Aden had approached you, what would be your suggestions to him in order to improve his credit score? (5 marks)

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