



**Scott Christian  
UNIVERSITY**

*A Dynamic Centre of Academic Excellence*

**SCHOOL OF EDUCATION**

**COURSE CODE AND TITLE FIN 220: BUSINESS FINANCE**

**SEPTEMBER- DECEMBER 2020/2021**

**TIME: 2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

**SECTION A (compulsory)**

**QUESTION ONE**

- (a) Define the term business finance (2marks)
- (b) Briefly describe the major players in the financial markets (8 marks)
- (c) Highlight the key standard measures of profitability as a way of gauging business performance (8marks)
- (d) Describe the sources of business finance according to time period (6 marks)
- (e) State the factors affecting capital budgeting in business finance (4 marks)
- (f) Define the term financial markets (2 marks)

**SECTION B**

**QUESTION TWO**

(a) The role of financial markets in the success and strength of an economy cannot be underestimated. Explain the intermediary functions of financial markets. (8 marks)

(b) Highlight the different types of financial markets. (7 marks)

### **QUESTION THREE**

(a) In finance, **valuation** is the process of determining the present value (PV) of an asset. Discuss the key principles of business valuation that business owners who want to create value in their business must know (9 marks)

(b) Explain the Methods /techniques of business valuation (6 marks)

### **QUESTION FOUR**

(a) Working capital is the capital needed by the firm to finance current assets. It represents the funds available to the enterprise to finance regular operations. Elucidate the Properties of a healthy working capital cycle (10 marks)

(b) Highlight the Significance of Adequate Working Capital for a business enterprise (5 marks)

### **QUESTION FIVE**

(a) Customer feedback is essential for the success of any business, the more you know about what your customers think and want, the easier it will be to handle increased numbers of customers. Explain the possible ways of capturing this information from the customers. (8 marks)

(b) Briefly discuss four ways of measuring business performance (7 marks)

### **QUESTION SIX**

(a) Using examples, Discuss some of the emerging trends in business finance (8marks)

(b) Describe the objectives of working capital management (7 marks)