



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
14-16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS  
SCHOOL OF MANAGEMENT SCIENCES  
JANUARY/FEBRUARY 2013 EXAMINATION**

**Course Code: BHM 302.**

**Credit Unit: 2.**

**Course Title: Business Finance II**

**Time Allowed: 2 Hours.**

**Instructions: 1. Attempt question number one (1) and any other two (2).**

**marks  
each.**

**2. Question number 1 is compulsory and carries 30  
while the other 2 questions carry 20 marks**

**3. Present all your points in coherent and orderly**

**manner**

**Question 1 (Compulsory)**

**(a) Explain the term Finance.**

**(b) Explain the term Loan.**

**(c) What is Collateral Security? Identify 5 forms of collateral security.**

**(d) Mention and explain 5 sources of short-term funds for financing  
business operations.**

**Question 2**

**(a) Enumerate the functions that are inherent in financial planning.**

**(b) What are the two main finance functions in a business operation?**

**Question 3**

**(a) What is financial planning**

**(b) Identify the objectives of financial planning.**

**(c) Mention and explain 4 sources of medium-term funds for financing  
business operations.**

**Question 4**

**(a) Enumerate and discuss traditional sources of funding business  
operations.**

**(b) Identify and explain the 3 main types of managerial decisions in  
finance function.**

**Question 5**

**(a) Explain the term Capital.**

**(b)Mention and discuss the factors affecting working capital requirements in operations.**

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