

Roll No.

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213401

May, 2019

BBA (Gen) - IV SEMESTER

Financial Management (BBA/GEN/401)

Time : 3 Hours]

[Max. Marks : 75

Instructions :

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part-B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

PART-A

1. (a) How will you define financial management? (1.5)
- (b) Discuss profit maximization. (1.5)
- (c) Explain time value of money. (1.5)
- (d) Describe IRR. (1.5)
- (e) What is capital rationing? (1.5)
- (f) Differentiate between NI and NOI. (1.5)
- (g) What is EPS-EBIT analysis? (1.5)

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- (h) How will define working capital? (1.5)
(i) Explain Operating cycle. (1.5)
(j) How will you explain Inventory Management? (1.5)

PART-B

2. Explain the functions of financial manager in this corporate world. Is she/he pivotal for an organization? (15)
3. (a) Differentiate between profit and wealth maximization. (7.5)
(b) ABC Ltd. Issues 15% debentures of face value of Rs. 1000 each at a floatation cost of Rs. 50 per debenture. Find out the cost of capital of the debenture which is to be redeemed in 5 annual installments of Rs. 200 each starting from the end of year 1. The tax rate is 30%. (7.5)
4. How is leverage significant? Explain the types of leverage with importance. (15)
5. (a) The cost of a plant is Rs. 5,00,000. It has an estimated life of 5 years after which it would be disposed off (scrap value- nil). Profit before depreciation, interest and taxes (PBIT) is estimated to be Rs. 1,75,000 p.a. Find out the yearly cash flow from the plant (given the tax rate @30%) (7.5)
(b) Write a short note on Inventory Management. (7.5)

6. (a) How will determine receivable policy in a company as a manager? (7.5)
(b) Explain EPS-EBIT analysis with an example. (7.5)
7. What is dividend? Explain major determinants of dividend policy with appropriate examples. (15)