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Total No. of Pages : 02

Total No. of Questions : 09

BBA (Sem.-4)

FINANCIAL MANAGEMENT

Subject Code : BBA-403-18

M.Code : 77425

Date of Examination : 24-11-2023

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** consists of **FOUR** Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains **TWO** questions each, carrying **TEN** marks each.
4. Students have to attempt any **ONE** question from each Sub-section.

SECTION-A

1. Write short notes on :

- a) ~~Financial~~ Planning
- b) Annuity
- c) Combined Leverage
- d) ~~Cost of Equity~~
- e) Profitability Index •
- f) ~~Internal Rate of Return~~ •
- g) Stock Dividend •
- h) Current Assets •
- i) Marketable Securities •
- j) MM Hypothesis -I •

SECTION-B

UNIT-I

2. Define financial management. Discuss in the detail the objectives of financial management.
3. Write a detailed note on various sources of finance available for a business organization.

UNIT-II

4. What is cost of capital? Write a detailed note on various determinants of cost of capital.
5. What is financial leverage? Discuss in detail the traditional approach for determining the optimum level of capital structure.

UNIT-III

6. What is capital budgeting? Discuss in detail about the independent, mutually exclusive and contingent projects. Also discuss which capital budgeting evaluation criteria is suitable for evaluating above projects.
7. XYZ Co. Ltd. is evaluating the financial feasibility of following projects and has sought your opinion whether these projects should be accepted if the cost of capital of the firm is 10% p.a. Net Present Value and Profitability Index Methods may be used for evaluating these projects.

Project	Initial Investment	Cash Flow (Rs. in 000)				
		Year 1	Year 2	Year 3	Year 4	Year 5
I	1,00,000	30,000	25,000	50,000	65,000	70,000
II	1,00,000	-10,000	15,000	-20,000	45,000	55,000

UNIT-IV

8. What is working capital? Discuss various factors determining working capital requirement of a firm.
9. Discuss in detail the Walter and Gordon models of dividend policy of a company.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.