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Total No. of Pages : 02

Total No. of Questions : 09

BHMCT (Sem.-7)
FINANCIAL MANAGEMENT

Subject Code : BHMCT-706

M.Code : 90762

Date of Examination : 07-01-23

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 contains FIVE questions carrying FIVE marks each and students have to attempt any FOUR questions.
3. SECTION-C contains THREE questions carrying TEN marks each and students have to attempt any TWO questions.

SECTION-A

1. Write briefly :

- a) Outline the functional areas of Financial Management.
- b) Briefly list and explain the components of Financial Management in detail.
- c) Define the term '*capitalization*'.
- d) What is the fundamental point of difference between Cash Flow Analysis and Fund Flow Analysis?
- e) State the various long and short term sources of finance.
- f) List the factors affecting working capital management.
- g) Write a short note on '*trading on equity*'.
- h) Define '*liquidity*'.
- i) Name and briefly explain the techniques of time value of money.
- j) State the fundamental twin objectives of Financial Management.

SECTION-B

2. Calculate the present value of the following cash flows assuming a discount rate of 10%.

YEAR	CASH FLOWS
1	Rs. 5,000
2	Rs. 10,000
3	Rs. 10,000
4	Rs. 3,000
5	Rs. 2,000

3. What is Weighted Average Cost of Capital (WACC)? How is it calculated? What is the rationale behind its usage?
4. Under what conditions do NPV and IRR give contradicting results? Discuss in detail.
5. Explain zero working capital approach in detail.
6. How is a Cash Flow Statement prepared? Explain using imaginary figures.

SECTION-C

7. Explain the computation of the following in detail:
 - a) Cost of Debt
 - b) Cost of Equity Share Capital
 - c) Cost of Preference Share Capital
 - d) Cost of Retained Earnings.
8. Ramco Cements presents the following information and you are required to calculate funds from operations:

PROFIT AND LOSS ACCOUNT

Particulars	Rs.	Particulars	Rs.
To Opeation Expenses	1,00,000	By Gross Pofit	2,00,000
To Depreciation	40,000	By Gain on Sale of Plant	20,000
To Loss on Sale of Building	10,000		
To Advertisement Suspense Account	5,000		
To Discount Allowed	500		
To Discount on Issue of Shares written off	500		
To Goodwill written off	12,000		
To Net Profit	52,000		
	2,20,000		2,20,000

9. Explain the various approaches to working capital management.

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.