

**Roll No.**

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**Total No. of Pages : 02**

**Total No. of Questions : 09**

## **B.Voc. (Hospitality & Catering Management) (Sem.-5)**

# FINANCIAL MANAGEMENT

**Subject Code : BVHCM509-19**

**M.Code : 90837**

**Date of Examination : 23-12-22**

**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. Explain three limitations of book keeping.
  - b. What are the objectives of financial management?
  - c. How cash flow statement differ from fund flow statement?
  - d. What do you understand by current asset?
  - e. Discuss in detail long term financing.
  - f. Define budgetary control.
  - g. Discuss the significance of financial analysis.
  - h. What do you mean by depreciation?
  - i. What do you understand by financial goals?
  - j. Define ratio analysis.

## SECTION-B

2. In most large corporations, ownership and management are separated. What are the main implications of this separation? Define the scope of financial management? What role should the financial manager play in a modern enterprise?
3. “*The amount of fixed capital needed varies directly with the amount of fixed asset owned*”. Explain, what are the factors that influence estimation of fixed asset requirements of business?
4. What do you understand by the term under-capitalization and over-capitalization? What are its effects? Also State the steps to be taken for its correction.
5. a) A company expects a net operating income of Rs 1,00,000. It has 5,00,000, 6% debenture. The overall capitalization rate is 10%. Calculate the value of the firm and the equity capitalization rate (cost of equity) according net income approach.  
b) If the debenture debt is increased to Rs. 7,50,000. What will be the effect on value of firm and the equity capitalization rate?
6. Describe in detail meaning, nature and limitation of financial statement analysis.

## SECTION-C

7. Define the concept of budgetary control. Discuss in detail objectives of budgetary control and essentials of an effective budgetary control system. How to prepare sales budget explain with the help of example? Describe the advantages and disadvantages of budgetary control. Discuss in detail zero base budgeting.
8. Describe the concept of working Capital Management. What are the components of working capital? *The use of current liability as opposed to long term debt subjects the firm to greater risk of illiquidity*. Examine.
9. Given the following information, you are required to compute (i) capitalization (ii) capital structure (iii) financial structure:

Liabilities	Rs.
Equity share capital	10,00,000
Preference share capital	5,00,000
Long term loans and debenture	2,00,000
Retained earnings	6,00,000
Capital surplus	50,000
Current Liabilities	1,50,000
<b>Total</b>	<b>25,00,000</b>

**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.**