

**Total No. of Pages : 02**

**Total No. of Questions : 09**

**B.Sc.(HMCT) (Sem.-6)**  
**FINANCIAL PLANNING-II**  
**Subject Code : BSHM-314**  
**M.Code : 12059**

**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

**Q1. Write briefly :**

- a) Define cash flow statement.
- b) What is meant by Payback period?
- c) What is financial plan?
- d) What is capital structure?
- e) What is meant by Capital Budgeting?
- f) What is IRR?
- g) What is Financial Management?
- h) What is Working Capital?
- i) What is Profitability index?
- j) What is Fund flow statement?

**SECTION-B**

- Q2. Discuss the importance of capital budgeting.
- Q3. Discuss the various factors determining working capital.
- Q4. Differentiate between the capitalization and capital structure.
- Q5. What is average rate of return? Pen down its procedure.
- Q6. What is capital expenditure? Pen down the point of indifference.

**SECTION-C**

- Q7. Explain the importance of Capital Structure and various factors determining capital structure decisions.
- Q8. Differentiate between cash flow and fund flow. Prepare a cash flow with dummy figures.
- Q9. Abi Ltd company is considering the purchase of Machine. Two machine P and Q, each costing Rs. 50,000, are available. Earnings after taxes are expected be as under :

| Year | Machine P | Machine Q | Discount Factor at 10% |
|------|-----------|-----------|------------------------|
| 1    | 15,000    | 5,000     | 0.9091                 |
| 2    | 20,000    | 15,000    | 0.8264                 |
| 3    | 25,000    | 20,000    | 0.7513                 |
| 4    | 15,000    | 30,000    | 0.6830                 |
| 5    | 10,000    | 20,000    | 0.6209                 |

Evaluate the two alternatives according to NPV method (a discount of 10% is to be used). Which machine should be selected? Why?

**NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC case against the Student.**