Roll No. Total No. of Pages :02

Total No. of Questions : 09

BBA (2013 to 2017)/B.SIM (2014 & Onwards)/B.Sc. Business Economics(BBE) (2015 to 2017) (Sem.–4)

FINANCIAL MANAGEMENT

Subject Code : BBA/BBE-402

M.Code : 71204

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTION 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. Student has to attempt any ONE question from each Sub-section.

SECTION-A

Q1. Answer the following :

a) What is the need of wealth maximization?

b) What are the sources of long term financing?

c) How gross working capital differ from net working capital?

d) Discuss in detail internal rate of return.

e) Define Equity capital.

f) What do you mean by capital structure?

g) Define pay back method.

h) What do you mean by wealth maximization?

i) Define preference shares.

j) How capital structures differ from financial structure?

SECTION-B

UNIT-I

Q2. Define the traditional and modern concept of finance. Discuss in detail the nature and scope of financial management. Comment on the emerging role of financial manager in current scenario of era of globalization.

Q3. What do you mean by long term financial resources? Discuss in detail method with which you can mobilizes your financial resources.

UNIT-II

Q4. Define the concept of capital budgeting. Discuss in detail with the help of examples non discounted techniques of budgeting.

Q5. There are two projects A and B. A has a service life of one years. The initial cash outlay for both the projects assumed to be Rs. 20,000 each. The cash proceed from project A (at the end of first year) amounts to Rs 24,000. The cash generated by project S at the end of fifth year is likely to be Rs. 40,200. Assume that the required rate of return is 10 percent. Compute and compare NPV and IRR of the two projects.

UNIT-III

Q6. What do you mean by cost of capital? Discuss in detail importance and methods of calculating cost of capital with the help of example.

Q7. Nicole publishing company's market value of shares and debt is Rs. 50 crore and Rs. 15 crore respectively. The company's equity beta is 1.32. The risk free rate of return is 10 percent and market risk premium is 9 percent. The expected corporate tax rate for the company is 35 percent. Calculate Nicole's cost of equity.

UNIT-IV

Q8 What do you mean by capital structure? Discuss in detail theories of capital structure

Q.9 Define the concept, nature and need of working capital. What factors would you take into consideration in estimating working capital need of a concern? Explain in detail methods of determining working capital.

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