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Total No. of Pages : 03

Total No. of Questions : 09

MBA (Executive) (Sem.-3)

MANAGING THE FINANCIAL DIMENSION-II

Subject Code : MBX-302

M.Code : 74410

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains TEN questions carrying TWO marks each and students has to attempt any EIGHT questions.
2. SECTIONS-B consists of SEVEN questions each carrying SEVEN marks each and student has to attempt any FIVE questions.
3. SECTION-C is consist of ONE Case Study carrying NINE marks.

SECTION-A**1. Answer briefly :**

- a) What is Financial Management?
- b) What is Uncertainty?
- c) What is EPS?
- d) What is Payback Period Method?
- e) What is Negative Working capital?
- f) What is Money Market?
- g) What is Net Income?
- h) What is a Merger?
- i) What is SEBI?
- j) What is EBIT?



SECTION-B

2. What are Financial Markets? Discuss the regulatory framework for Financial Markets in India.
3. What is Capital Budgeting Decision? Discuss its process.
4. Discuss major objectives of Financial Management.
5. Discuss the determinants of an effective working capital policy of a firm.
6. What is Cost of Capital? Discuss.
7. Discuss the implications of excessive leverage and under leverage of capital structure.
8. Discuss the various sources of Short term finance for a firm.

SECTION-C

9. **Read the following case study in detail and answer the question :**

At the first stage of money laundering – at placement stage – such methods are used as the investing of a large number of deposits in amounts below the limits, which oblige the bank employees to fulfill the registration procedure and identification of the depositor. This technology is called restructuring and covers in most cases the following points: multiple cash contributions (including currency) to the bank accounts of citizens of the country and foreigners (these are always amounts, which magnitude does not exceed the limits, beyond which banks are obliged to identify the customer) and similar contributions made by cash in a form of foreign currency, transported by smuggled way from abroad; transfer to the encashment of existing checks to bearer for an amount of lower limits that require identification; -smurfing, i.e. the acquisition of easily transported property values by – dirty money (in amounts that do not exceed the limits of identification), this applies mainly to bearer checks; multiple substitution of small face value banknotes into larger in amount that does not exceed limits of identification, without using bank accounts; various other cash transactions, conducted through a large number of bank accounts, branches, tellers or with the assistance of others, this includes operations among many cashiers by one person, in addition, there is a possibility to conduct the operation by one person or investment of deposits by cash into many different accounts to bearer, with a small amount of individual deposits, which form a very large sum of money in total. Very popular and widespread technology of money laundering at the placement stage is the unification of – dirty money with the income of legal commercial entity. This technology is called – mixing. Hotels, restaurants, drycleaners, bars, points of public services for the population are numerous

types of economic activities that generate unstable income, which vary depending on the season, are not amenable to strict control and are therefore suitable targets for money laundering. There are three options in the described technology: the owner of – dirty|| money is the legal owner of commercial object or company which provides services during the process of money laundering at the same time; the owner of – dirty|| money finds a legal firm to use it primarily as a laundry for money laundering; the owner of – dirty|| money conclude a contract with another person (so called contractor), which organizes the allocation of money through the company – laundry.

Questions :

- a) Summarize the whole case in your own words.
- b) What are the features of money laundering at the placement stage? Discuss.
- c) What are the three options in the described technology?

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.