



Code: 14E00204

MBA II Semester Supplementary Examinations June 2019

FINANCIAL MANAGEMENT

(For students admitted in 2014 (LC), 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 Define finance function. Explain the goals of finance function. Which goal is superior one? Explain.
OR
- 2 Discuss the changing role of finance manager in the contemporary scenario of markets.
- 3 Explain the investment decision process. How do you project cash flows?
OR
- 4 Explain the following techniques with examples:
(i) NPV. (ii) IRR.
- 5 Define capital structure. Explain different types of capital structures and their planning.
OR
- 6 Discuss the importance of cost of capital. How do you measure it? Illustrate.
- 7 Define working capital concepts. What factors do you consider for working capital planning? Explain.
OR
- 8 Explain the following: (i) EOQ. (ii) Cash budget.
- 9 Differentiate mergers, acquisitions and take-over. Explain the motives of mergers.
OR
- 10 What is dividend policy? What factors should be considered for declaring dividends? Explain.

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

- 11 **Case study:**
Cost of the project: Rs.42,000
Cash flows after taxes per year: Rs.7500, Life time 6 years, Cost of capital 12%.
What is IRR and NPV of the project? Do you accept the project?

