Total No. of Pages : 2

Register Number: 6865

Name of the Candidate:

M.B.A. DEGREE EXAMINATION MAY 2014.

(HUMAN RESOURCE MANAGEMENT)

(FIRST YEAR)

150/120/140 — FINANCIAL MANAGEMENT

(Common with M.B.A. (MM) M.B.A. (FM))

Time: Three hours

Maximum: 75 marks

SECTION A

Answer any FIVE questions.

 $(5 \times 3 = 15)$

- 1. (a) What are the basic financial decisions?
 - (b) Define capital structure.
 - (c) What is pre-emptive rights?
 - (d) What is trade off?
 - (e) List out some inventory management techniques.
 - (f) What do you mean by underwriting of shares?
 - (g) What is dividend payout ratio?
 - (h) What is liquidation?

SECTION B

Answer any THREE questions.

 $(3 \times 10 = 30)$

- 2. Explain the cash management strategies in detail.
- 3. Explain Intermediate term financing in detail.
- 4. Explain the various collection policies in receivables management.
- 5. Explain the factors affecting dividend policy in detail.
- 6. What are the advantages and disadvantages of leasing?

SECTION C

Answer any ONE questions.

 $(1 \times 15 = 15)$

- 7. What is financial risk? How does it differ from business risk?
- 8. Explain the merits and demerits of the various measures of financial leverage.
- 9. Explain the factors that determine the working capital needs of a firm.

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SECTION D

Compulsory

 $(1 \times 15 = 15)$

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10. What is Miller–Modigliani's dividend irrelevance hypothesis? Critically evaluate its assumptions.

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