

**(DBUS21(NR))**

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**M.B.A. DEGREE EXAMINATION, MAY – 2018****Second Year****FINANCIAL MANAGEMENT****Time : 3 Hours****Maximum Marks :70****SECTION - A****Answer any three questions.****(3 × 5 = 15)**

- Q1)** a) Financial Manager  
b) Flexible budget  
c) Debt-equity ratio  
d) NPV  
e) Preference shares  
f) Under capitalisation

**SECTION - B****Answer any three questions.****(3 × 5 = 15)**

- Q2)** Discuss the significance of financial management.
- Q3)** Write an overview of methods of raising finance.
- Q4)** Discuss budgetary control methods.
- Q5)** Write a detailed note on cash flow analysis.
- Q6)** What is profit analysis? Explain in detail.
- Q7)** Explain the concept of receivables management in detail.

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**SECTION - C**  
**(Compulsory)**

**(10)**

**Q8) Case Study**

The following information is available in respect of two firms P Ltd. and Q Ltd. :

	( in lacs)	
	P Ltd.	Q Ltd.
Sales	500	1000
(-) Variable cost	200	300
Contribution	300	700
(-) Fixed cost	150	400
EBIT	150	300
(-) Interest	50	100
Profit before tax	100	200

You are required to calculate different leverages to both the firms and also comment on their relative risk position.



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