

Code No: 22002**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****MBA-II Semester Supplementary Examinations July 2010****FINANCIAL MANAGEMENT****Time: 3hours****Max.Marks:60**

Answer any Five questions
All questions carry equal Marks

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1. What is the nature of the risk, return trade off faced in financial decision making?
2. How are the projects evaluated on the basis of IRR method? Evaluate this method as project appraisal technique.
3. Explain how the cost of capital serves as a screening tool when dealing with
 - a) The net present value method and
 - b) The time adjusted rate of return method.
4. What is the relationship between leverage and the firm's cost of debt? How is leverage measured in this case?
5. Discuss the relationship between the dividend policy and the value of the firm.
6. Distinguish between gross working capital and net working capital.
7. What are the facets of cash management? Discuss its importance in a typical manufacturing company.
8. List out the benefits of liberal accounts receivable policy.
