

S.No. : 136

BBAL 2204

No. of Printed Pages : 05

Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 29111

Roll
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BBA LLB (Integrated) Examination

2018-19

(Even Semester)

FINANCIAL MANAGEMENT

Time : Three Hours

[Maximum Marks : 60

Note :- Attempt all questions.

SECTION - A

1. Attempt all parts of the following : $8 \times 1 = 8$

(a) Define the scope of financial management.

(b) Define mutual funds.

(c) Write short note on "Pay Back method".

[P. T. O.]

- (d) What is an EBIT-EPS analysis?
- (e) Define financial leverage.
- (f) What is meant by Interest rate risk?
- (g) Define capital rationing.
- (h) Explain working capital.

SECTION - B

2. Attempt any two parts of the following : $2 \times 6 = 12$

- (a) Wealth maximisation is a better operational criterion for financial decisions making than profit maximisation. Discuss.
- (b) XYZ Bank pays 12% and compound interest quarterly. If ₹ 1,000 is deposited initially, how much shall it grow at the end of 5 years.
- (c) Explain the concept of working capital management. Describe the steps involved in estimating the working capital requirement of a firm.

- (d) Two firms A and B have the following information :

	Sales	Variable Cost	Fixed Cost
Firm A	1800	450	900
Firm B	1500	750	375

You are required to calculate :

- (i) Profit to sales ratio
- (ii) Break even point

SECTION - C

Note :- Attempt all questions from this section.

$10 \times 4 = 40$

3. Attempt any two parts of the following :

- (a) Define financial management and explain the various finance functions.
- (b) What is meant by time value of money? Discuss the reasons of TVM.
- (c) Write short notes on the following :
 - (i) Venture capital financing
 - (ii) Term loans

4. Attempt any two parts of the following :
- What is Profitability Index? Which one is superior net present value or profitability index?
 - Define capitalization and explain its various types.
 - Explain weighted average cost of capital.
5. Attempt any two parts of the following :
- What is meant by leverage? How would you calculate financial and operating leverage?
 - A manufacturing company has an usage of 50,000 units the cost of processing an order is ₹ 20 and carrying cost per unit is ₹ 0.50 for 1 year. Calculate - EOQ [i.e. economic order quantity].
 - Define profit planning. Explain the role of financial manager.
6. Attempt any two parts of the following :
- Explain the various sources of long term finance.

- Efficient cash management will lead to increase in cash flows and slowing cash outflows. Discuss.
- Calculate the working capital from the following information :

Land and building	1,50,000
Plant	1,40,000
Stock	60,000
Debtors	80,000
Cash	40,000
Creditors	30,000
Bills payable	20,000
