

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

**PAPER ID : 9115/
9316**

Roll
No.

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Int. LL.B Examination 2015-2016

(Third Semester)

**FINANCIAL MANAGEMENT AND PROJECT
MANAGEMENT**

Time : 3 Hours]

[Maximum Marks : 100

Note :- Attempt all questions.

1. Write short notes on any four of the following: 20
 - (a) Mutual funds
 - (b) Financial Leverage
 - (c) Capital Asset Pricing Model
 - (d) Working Capital
 - (e) Life cycle phases of project
 - (f) Capital structure
2. Attempt any two of the following : 20
 - (a) What are the finance functions or decisions performed by a Finance Manager? Describe each in detail.

[P. T. O.

- (b) Explain the concept of Time Value of Money. What is the relationship between Risk and Return?
- (c) What are the various sources of finance? Explain features of ordinary shares and debentures.
3. Attempt any two of the following : 20

- (a) The initial cash outlay of a project is Rs. 5,00,000 and it can generate cash inflows of Rs. 1,90,000, Rs. 1,70,000, Rs. 1.60,000 and Rs. 1,20,000 in year 1 through 4. If the opportunity cost of capital is 10% what will be the profitability Index of the project?
- (b) Estimate the payback period and NPV at 10% discount rate for a project with the following cash flows:

Year	0	1	2	3	4
CF	-10000	4500	4500	3000	2000

- (c) Define Degree of Operating Leverage and Degree of Financial Leverage. How is breakeven point calculated and what is its significance?

4. Attempt any two part of the following : 20
- (a) What are the components of capital? What is the significance and use of Weighted Average Cost of Capital?
 - (b) Explain the meaning of Current Assets. What are the components of current assets and their importance?
 - (c) What is operating cycle of business? What role does inventory play in this cycle?
5. Attempt any two of the following : 20
- (a) Define technical analysis of the project. Explain the factors which have influence on the choice of location and site.
 - (b) Distinguish between pre-feasibility and feasibility study. What is meant by social cost benefit analysis? Why is it relevant in project analysis?
 - (c) The cash flows associated with two mutually exclusive projects P and Q are as follows :

[P. T. O.]

Net Cash flows		
Year	P	Q
0	(2000)	(2000)
1	1400	600
2	600	1200
3	500	1000

Discuss rate for project P is 10% and for project Q is 12%. Which project would you choose and why?

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