

END SEMESTER THEORY EXAMINATION JANUARY-2021

Program:	B.Com (Hons.)	Year/Semester:	5th Semester
Course/Subject:	Financial Management	Duration:	03:00 Hrs.
Course/Subject Code:	06070501	Maximum Marks:	60
		Batch:	2018

Instructions:-

1. Write Your Roll No. on the Question Paper.
2. Candidate should ensure that they have been provided correct question paper. Complaint(s) in this regard, if any should be made within 15 minutes of the commencement of the exam. No complaint(s) will be entertained thereafter.
3. All Questions are compulsory. Marks are indicated against each question.
4. Illustrate your answer with diagram wherever required.

SECTION-A**(Very Short Answer Type Questions)****Note: All Questions are compulsory: -****[12×1=12 Marks]**

S. No.	Question	Marks Allotted
1	Define Leverage?	1
2	What do you mean by optimum capitalization?	1
3	Define financial forecasting.	1
4	What do you understand by sound finance mix?	1
5	What do you mean by the finance function?	1
6	What factors determine the capital structure of a firm?	1
7	Define Time value of money.	1
8	What is the relationship between annual effective rate of interest and annual nominal rate, if frequency of compounding is more than 1.	1
9	Expand CAPM, what type of risk does CAPM account for?	1
10	What is the decision criterion under NPV approach? How will you analysis the acceptance or rejection of a project?	1
11	What do you mean by investment decision?	1
12	Define the term capital rationing.	1

SECTION-B

(Short Answer Type Questions)

Note: All Questions are compulsory: -

[4×2=8 Marks]

S. No.	Question	Marks Allotted
13	Define Financial Management. What is its significance in investment decision?	2
14	What are the various methods of Investment appraisal under DCF approach?	2
15	What are the different theories of Financial Planning?	2
16	What are the effects of trading on equity on the capital structure?	2

SECTION-C

(Descriptive Answer Type Questions)

Note: All Questions are compulsory: -

[4×4=16 Marks]

S. No.	Question	Marks Allotted
17	What are the different types of financial decisions?	4
18	What do you mean by financial forecasting? What is its significance?	4
19	What is Net operating Income approach of capital structure?	4
20	What are the determinants of working capital?	4

SECTION-D

(Long Answer Type Questions)

Note: All Questions are compulsory: -

[4×6=24 Marks]

S. No.	Question	Marks Allotted
21	What is financial management? Explain the role and functions of a financial manager?	6
22	Calculate operating leverage, financial leverage and combined leverage from the following data: Sales:4,00,000 units variable cost per unit: 0.70rs. Fixed cost: Rs. 3,12,000 Interest charges: Rs. 48,000	6
23	What is Walter's dividend model?	6
24	What is undercapitalization? What are its effects?	6