

ANURAG Engineering College

(An Autonomous Institution)

I MBA II Semester Regular Examinations, July/August – 2024

FINANCIAL MANAGEMENT

(MASTER OF BUSINESS ADMINISTRATION)

Time: 3 Hours**Max. Marks: 60****Section – A (Short Answer type questions)****(10 Marks)****Answer All Questions**

	Course Outcome	B.T Level	Marks
1. Define financial management?	CO1	L1	1M
2. What is time value of money?	CO1	L1	1M
3. Define Net Present Value?	CO2	L1	1M
4. Define Capital budgeting?	CO2	L1	1M
5. What is optimal capital structure?	CO3	L1	1M
6. What is operating leverage?	CO3	L1	1M
7. Define bonus shares?	CO4	L1	1M
8. What is share split?	CO4	L1	1M
9. Define cash budget?	CO5	L1	1M
10. Define marketable securities?	CO5	L1	1M

Section B (Essay Questions)**Answer all questions, each question carries equal marks.****(5 X 10M = 50M)**

11. A) You have invested Rs.2,000 at the end of first year, Rs.3000 at the end of second year and Rs.5,000 each year from third to fifth years. Find the present value of these cash flows at a discount rate of 10%.
CO1 L3 10M
- OR**
- B) Explain the nature and scope of financial management?
CO1 L2 10M
12. A) Discuss various types of investment decisions?
CO2 L3 10M
- OR**
- B) The expected cash flows of a project are as follow:
CO2 L3 10M

Years	Cash flow
0	(-1,00,000)
1	30,000
2	40,000
3	50,000
4	60,000
5	70,000

The cost of capital is 12 percent. Calculate the following:

- i) Payback period ii) Net Present Value

13. A) A ltd. Who has an EBIT of Rs.1,60,000/- capital structure consist of 10% debentures of Rs.5,00,000/-, equity shares of 4,00,000 (Rs. 100 each), 12% preference shares of Rs.1,00,000/-. The tax rate is 55% calculate i) EPS ii) DFL iii) % change in EPS associate with 30% increase & 30% decrease in EBIT?
CO3 L3 10M
- OR**
- B) Explain the factors determining capital structure?
CO3 L2 10M

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| 14. A) Explain the factors determining dividend policy? | CO4 | L2 | 10M |
| OR | | | |
| B) Explain briefly about walter's Gordon model? | CO4 | L2 | 10M |
| 15. A) Explain the different types working capital? | CO5 | L2 | 10M |
| OR | | | |
| B) Explain the various steps involved in Inventory management? | CO5 | L2 | 10M |