

Roll No.

12021

**MBA 2 Year 2nd Semester CBCS (Old)
(Re-Appeal) Examination – October, 2020**

FINANCIAL MANAGEMENT

Paper : 16IMG22C1

Time : 1.45 hours]

[Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt any *three* questions. All questions carry equal marks.

1. Explain in brief :

- (i) Future value of money
- (ii) Objectives of investment decisions
- (iii) Assumptions of NOI approach of dividend
- (iv) Determinants of dividend
- (v) Break even analysis
- (vi) Weighted average cost of capital
- (vii) Receivable management
- (viii) Assumptions of Walter model

2. Define the scope of financial management. What role should the financial manager perform in a modern enterprise ?

3. What is Debenture ? Explain types and merits of Debentures.
4. What is cost of capital ? Discuss cost of different sources raising capital.

5. The expected cash flows of a project are as follows :

Year	0	1	2	3	4	5
Cash Flow	1,00,000	20,000	30,000	40,000	50,000	30,000

The cost of capital is 12%. Calculate the net present value, internal rate of return, payback period and discounted payback period.

6. Discuss the concept of operating leverage, financial leverage and total leverage using hypothetical examples.
7. Describe the traditional view on the optimum capital structure. Compare and contrast this view with the NOI approach and the NI approach.
8. What are the basic objectives of cash management and various basic problems in the cash management ? Explain.
9. Explain the needs of working capital. Discuss the factors affecting working capital.
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