

- (c) What is NPV ?
- (d) Give the components of Capital.
- (e) Give *two* determinants of Capital Structure.
- (f) What is Dividend Policy ?
- (g) Difference between 'gross working capital' and 'net working capital'.
- (h) Give *two* objectives of Inventory management.

SECTION – B

UNIT – I

- 2. What is meant by Financial Management ? Wealth maximization is superior criteria compared to profit maximization. Discuss in detail. 16
- 3. Write notes on the following : 6 + 5 + 5 = 16
 - (a) Time value of money
 - (b) Financing decision
 - (c) Difference between 'equity share' and 'preference share'

UNIT – II

- 4. Initial Investment : Rs. 10,00,000
- Life of Machine : 5 Yrs
- Cost of Capital : 10%

12611-4200-(P-4)(Q-9)(23) (2)

Cash inflows/outflows are given below :

Year	Cash outflows/inflows
0	-10,00,000
1	2,00,000
2	2,00,000
3	3,00,000
4	3,00,000
5	3,50,000

- (i) Calculate NPV with the help of above informations.
- (ii) Is it feasible to accept this proposal ? $10 + 6 = 16$
- 5. (a) 'Debt is cheaper than Equity. Comment on the statement.
- (b) What is weighted average cost of capital ? Explain its rationale. 8 + 8 = 16

UNIT – III

- 6. What are capital structure decisions ? Traditional theory is a compromise between NI and NOI approach. Comment on the statement. 16
- 7. What is meant by dividend payout ratio ? Discuss Walter's model to dividend decisions in detail. 16

12611-4200-(P-4)(Q-9)(23) (3)

P. T. O.

UNIT – IV

8. What is the importance of working capital management ? Explain the risk return trade off in working capital management. 16
9. Write notes on the following : 5 + 5 + 6 = 16
- (a) Cash Budget
 - (b) Economic Order Quantity
 - (c) Operating Cycle

12611-4200-(P-4)(Q-9)(23) (4)

Roll No.

12611

**MBA 2 Yr. 2nd Semester New Scheme
2019-20 Examination – May, 2023**

FINANCIAL MANAGEMENT

Paper : 19IMG22D1

Time : Three 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 *five* questions in all. Question No. 1 (Section – A) is *compulsory*. Attempt other *four* questions from Section – B by selecting *one* question from each Unit. All questions carry equal marks.

SECTION – A

1. Answer the following short answer type questions :
8 × 2 = 16
- (a) Name the financial decisions taken by Financial Manager.
 - (b) Relevance of time value of money in financial decision-making.

12611-4200-(P-4)(Q-9)(23)

P. T. O.