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**BBA (CAM) 3rd Semester (N.S.) 2014-17
Examination – November, 2017**

FINANCIAL MANAGEMENT

Paper : BCAMN-302

Time : Three Hours]

[Maximum Marks : 80

Before answering the questions, candidates have been supplied the correct answer. A complaint in this regard, will be not

considered. No marks will be awarded for this paper. No re-valuation.

Note : Section - A is compulsory. Candidates are to select one question from Section - B.

Attempt four questions, from each Unit from

SECTION - A

1. (a) What is the main financial goal of a firm?

(b) Define time value of money.

(c) What is ARR?

(d) What is capital rationing?

(e) What is financial leverage? Is it favourable?

(f) What is capital structure?

(g) What is real time value of money?

SECTION - B

UNIT - 1

2. Investment Financing and Financial Decisions are interrelated. Comment.

3. Short run or

(a) Profit maximization approach

(b) Agency cost

(c) Time value of money

UNIT - 1

4. Why is the capital budgeting decision so important? Discuss various capital budgeting techniques in detail.

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Q. No project is acceptable unless the yield is 10 percent. Cash inflows of a certain project along with cash outflows are given below.

Year	0	1	2	3	4	5
Cash Inflow (Rs)	10000	10000				
Cash Outflow (Rs)		10000	10000	10000	10000	10000
TV factor of 10%		0.909	0.826	0.751	0.681	0.621

The salvage value at the end of 5 years is Rs. 4000. Calculate the NPV.

UNIT - III

6. What are the main capital structure theories? Discuss the important factors that should be considered while determining capital structure.

7. Write short notes on

- (a) Financial leverage
- (b) Operating leverage
- (c) EPS-EBIT Analysis

UNIT - IV

8. Explain Walter's and Gordon's model of dividend. Under what assumptions their conclusions hold good?

9. What is working capital management? What is the need to maintain optimum working capital? Discuss the consequences of inadequate and excess working capital.