

57531

BBA 4th Semester (N. S.) 2014-17
Examination – May, 2024

FINANCIAL MANAGEMENT

Paper : BBAN-401

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 : Section-A (Question No. 1) is *compulsory*. Attempt *four* questions from Section-B, selecting *one* question from each Unit. All questions carry equal marks.

SECTION – A

1. Explain the following :
 - (a) Net Present Value
 - (b) Functions of Financial Manager
 - (c) Credit Policy
 - (d) Time value of Money
 - (e) Optimum capital structure

57531-5450-(P-3)(Q-9)(23)

P. T. O.

- (f) Accept-reject decision
- (g) Re-order level
- (h) EPS-EBIT Analysis

SECTION – B

UNIT – I

2. 'Financial Management is more than procurement of funds'. Explain this statement and scope of Financial management.
3. Write short notes on :
 - (a) Profit Maximisation Vs. wealth Miximisation.
 - (b) Concept of Time value of Money with example.

UNIT – II

4. Define cost of capital. Explain its relevance in decision making. How is weighted Average cost of capital determined.
5. Cash flow of a project are as follows :

Year	0	1	2	3	4	5
Cash Flows	25000	8000	7000	4000	6000	4500

Find the IRR of the project.

57531-5450-(P-3)(Q-9)(23) (2)

UNIT - III

6. Compare and contrast NOI and NI approach and also explain the factors affecting optimum capital structure.
7. Write short notes on :
 - (a) Operating and financial leverage
 - (b) EBIT-EPS analysis with example.

UNIT - IV

8. Define management of working capital. Explain the various factors affecting working capital.
 9. Write short notes on :
 - (a) Motives of Holding cash
 - (b) Inventory control Technique
-