

57531

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

May-2025

FINANCIAL MANAGEMENT

Paper-BBAN-401

Time allowed : 3 hours] [Maximum marks : 80

Note : Q. No. 1 from Section-A is compulsory. Attempt four questions from Section-B by taking one from each unit. All questions carry equal marks.

Section-A

1. Explain :

- (i) Scope of Financial Management
- (ii) Payback Period method
- (iii) Financial risk
- (iv) Leverage
- (v) Ideal Capital structure
- (vi) Need for Working Capital
- (vii) Safety Stock
- (viii) Collection Cost

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Section-B

Unit-I

2. Discuss the functions of financial management.
3. How is wealth maximisation objective better than profit maximisation objective ? Explain.

Unit-II

4. Project X initially costs Rs. 30,000, It generates following cash flows :

Year	Cash Inflows (₹)	Present value of Re 1 at 10%
1	9000	0.909
2	8000	0.826
3	7000	0.751
4	6000	0.683
5	5000	0.621

Taking the cut off rate at 10%, suggest whether the project should be accepted or not.

5. What is Cost of Retained Earnings ? How do we calculate weighted average cost of capital ?

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Unit-III

6. What are the various factors that affect capital structure ?
7. What is 'indifference point' and why is it so called ?
What is its usefulness ?

Unit-IV

8. Explain briefly various techniques of Cash management.
9. What is Stable Dividend Policy ? Explain the factors that determine the dividend policy of a company.