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(2063)

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MBA 2nd Semester Examination

Financial Management (N.S.)

204

Time : 3 Hours

Max. Marks : 60

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/ continuation sheet will be issued.

SECTION - A

Note: All questions are compulsory. Each question carries 2 marks.

1. Write short note on functional of finance manager.
2. What do you mean by venture capital financing?
3. What is marginal cost of capital?
4. State the effects of Arbitrage process.
5. What is Financial Break-even point?
6. What do you mean by operating cycle?
7. What is the meaning of factoring?
8. What do you mean by Re-order level?
9. Explain the meaning of profitability index.
10. What is Garden Approach to Dividend policy?

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SECTION - B

Note: Attempt any four questions. Each question carries 5 marks

1. What are the methods used in calculation of cost of debt?
2. Discuss the importance of debt-equity ratio in determination of optimum capital structure.
3. Write short notes on 'Structural leverage'.
4. Explain in brief 'William J. Baumol? Cash management model.
5. What is payback period? Under what situations investment decisions are mainly guided by payback period method?
6. A company says a lot of 125 bottles which is a three months supply. The cost per bottle is Rs. 125 and the ordering cost is Rs. 250 per order. The inventory carrying cost is estimated of 20% of unit value per annum.

You are required to ascertain:

- (i) What is the total annual cost of the existing inventory policy?
- (ii) How much money would be saved by employing the economic order quantity?

SECTION - C

Note: Attempt any two questions. Each question carries 10 marks

1. Define the term 'Debentures'. What are the different kinds of debentures issued by the Indian corporate?

2. "Working Capital Management is nothing more than deciding about the level structure and financing of current assets". Discuss with relevant illustrations.
3. What do you mean by Dividend? What are different types of dividend? Explain in detail.
4. What is M-M Approach? What are its assumptions and criticism? Explain in detail.