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MBA 2nd Semester Examination

Financial Management (O.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.

Note : Attempt five questions in all, selecting one question from each unit. All questions carry equal marks.

UNIT - I

1. Discuss the salient features of the traditional and modern approaches to financial management. (12)
2. What are the objectives of the firm? How does financial management help in achievement of these objectives? (12)

UNIT - II

3. Compare and contrast NPV and IRR methods of capital budgeting? Which one of two is better and why? (12)
4. "Equity is just cost free" Comment. Which is the cheapest source of capital, and why? (12)

UNIT - III

5. Distinguish between operating and financial leverages. Examine their importance. (12)
6. What is optimal capital structure? Examine the factors affecting capital structure decision. (12)

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UNIT - IV

7. Critically examine the Modigliani and Miller approach to dividend decision. (12)
8. What is a Stable dividend policy? Explain the nature of the factors which influence the dividend policy of a firm. (12)

UNIT - V

9. What do you mean by working capital management? Explain different dimensions of working capital management. (12)
10. Discuss the various approaches of Financing of working capital. What do you understand by the term, short term and spontaneous financing of current assets? (12)