

20U456S

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Name:

Reg. No:

FOURTH SEMESTER B.B.A DEGREE EXAMINATION, APRIL 2022

(CUCBCSS-UG)

CC15U BB4 B06 – FINANCIAL MANAGEMENT

(B.B.A. - Core Course)

(2016 to 2018 Admissions – Supplementary/Improvement)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries 1 mark.

1. ABC analysis is used in -----
 - a. Inventory Management
 - b. Receivables Management
 - c. Accounting policies
 - d. Corporate governance
2. Dividend Payout Ratio is:
 - a. PAT Capital
 - b. $DPS \div EPS$
 - c. $\text{Pref. Dividend} \div PAT$
 - d. $\text{Pref. Dividend} \div \text{Equity Dividend}$
3. In Current Ratio, Current Assets are compared with:
 - a. Current Profit
 - b. Current Liabilities
 - c. Fixed Assets
 - d. Equity Share Capital
4. Financial Planning deals with:
 - a. Preparation of Financial Statements
 - b. Planning for a Capital Issue
 - c. Preparing Budgets
 - d. All of the above
5. Capital Budgeting deals with:
 - a. Long-term Decisions
 - b. Short-term Decisions
 - c. Both (a) and (b)
 - d. Neither (a) nor (b)
6. EBIT stands for -----
7. The formula of calculating operating leverage is -----
8. Working capital is the difference between current asset and -----
9. NPV stands for -----
10. High degree of financial leverage means -----

(10 × 1 =10 Marks)

Part B

Answer any *eight* questions. Each question carries 2 marks.

11. What is capital rationing?
12. What is Financial Management?
13. What is capital gearing?
14. What is cost of capital?
15. What is factoring?

16. What are the objectives of finance function?
17. How to calculate dividend payout ratio?
18. What is EOQ?
19. How to calculate Minimum stock level?
20. Any two objectives of financial management?

(8 × 2 = 16 Marks)

Part C

Answer any *six* questions. Each question carries 4 Marks.

21. What is the role of financial manager?
22. Distinguish between overcapitalisation and under capitalisation?
23. Explain various sources of working capital?
24. Following information is given as materials:
Annual Usage Rs.200000, cost of placing and receiving one order Rs.80, Annual carrying cost 10% of inventory value.
Find out Economic Order Quantity.
25. What are the advantages of financial management?
26. “Dividends are relevant” Discuss Walter’s model in the light of above statement?
27. X Ltd issues Rs. 50,000 8% debentures as par. The tax rate applicable to the company is 50%. Compute cost of capital. What is MM approach of capital structure? What are its features?

(6 × 4 = 24 Marks)

Part D

Answer any *two* questions. Each question carries 15 Marks.

28. There are two projects X and Y. Each project requires an investment of Rs.20000. You are required to rank these projects according to the pay-back period method from the following information:

Years	Net profit before depreciation and after tax	
	Project X	Project Y
Ist	1000	2000
IInd	2000	4000
IIIrd	4000	6000
IVth	5000	8000
Vth	8000	-----

29. Explain the scope and importance of Financial Management?
30. Explain in detail techniques of capital budgeting?

(2 × 15 = 30 Marks)
