

BBA, MAY –2014
FINANCIAL MANAGEMENT
Paper Code (BB-402)
Paper Id. [C0219]

Time: 03 hours

M.Marks: 60

Note: Attempt any five questions, all questions carry equal marks.

SECTION – A

Attempt all questions. All questions carry equal marks

1. Explain the following:
 - a) Financial Management
 - b) **Capital Investment**
 - c) **Limitations of Capital Budgeting**
 - d) **Wealth Maximisation**
 - e) **Internal Rate of Return Method**
 - f) **Cost of Preference Shares**
 - g) **Capital Structure**
 - h) **Financial Risk**
 - i) **Profit Maximization**
 - j) **Financial Decisions**

2x10=20

SECTION-B

Attempt any four questions. Each question carry equal marks.

2. Explain various functional areas of financial management.
3. What is Capital Budgeting? Examine its need and importance.
4. A project cost Rs. 5,00,000 and yields annually a profit of Rs. 80,000 after depreciation @ 12% pa but before tax of 50% calculate payback period.
5. What is meant by cost of capital? What are the problems in determining it?
6. What is meant by Capital Structure? Explain the Net Operating Income approach.
7. "Finance function of a business is closely related to its other functions". 4x10=40
Discuss.

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