

Roll No.

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Total No. of Pages : 02

Total No. of Questions : 09

BBA (2012 & Onwards Batches) (Sem.-4)

FINANCIAL MANAGEMENT

Subject Code : BBA-402

Paper ID : [A2372]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

- 1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
- 2. SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
- 3. Each Sub-section contains TWO questions each, carrying TEN marks each.**
- 4. Student has to attempt any ONE question from each Sub-section.**

SECTION-A

1. Answer briefly :

- a. Financial Management Process.
- b. Trading on Equity.
- c. NPV vs IRR
- d. Public deposit as source of finance.
- e. Importance of Capital Budgeting.
- f. Effects of Inadequate Working Capital.
- g. Investment Decisions.
- h. Capital Rationing.
- i. Areas of finance function.
- j. Weighted average cost of capital.

SECTION-B

UNIT-I

2. *“Investment, Financing and Dividend decisions are interrelated”* Explain.
3. What are the main sources of finance available to industries for long term financial requirements? Discuss.

UNIT-II

4. Explain :
 - a. The concept of Capital Budgeting and its practicality
 - b. Principles of Capital Budgeting.
5. *“Capital budgeting is a long term planning for making and financing proposed capital outlay”* Explain. What are the limitations of Capital Budgeting?

UNIT-III

6. Explain Cost of Capital. What is its significance?
7. Explain weighted average cost of capital. Examine the rationale behind the use of overall cost of capital.

UNIT-IV

8. Define Capital Structure. What are the major determinants of capital structure?
9. What do you mean by Working Capital? Discuss the various sources of Working Capital funds.