Roll No. | | | | | | | | | | | | Total No. of Pages : 03

Total No. of Questions : 09

B.Com. (Honours) (Sem.–5)

FINANCIAL MANAGEMENT

Subject Code : BCOM-501-18

M.Code : 78172

Date of Examination : 05-06-2023

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS 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. Write briefly :

a) Cost of Capital

b) List out the factors affecting capital structure

c) Capital rationing

d) Capital structure *vs*. financial structure

e) List out determinants of capital requirement

f) Average rate of return

g) Leverage

h) Compounding techniques of time value of money

i) Wealth maximization

j) Capital budgeting.

SECTION-B

UNIT-I

2. Discuss in detail, objectives, functions and scope of financial management.

3. a) Calculate the present value of the following cash flows assuming a discount rate of 8%.

Year	I	II	III	IV
	10,000	20,000	10,000	5,000

b) Write a note on components of cost of capital.

UNIT-II

4. a) A firm has sales of Rs. 20,00,000, variable cost of Rs. 14,00,000 fixed costs of Rs. 4,00,000 and dentures of Rs. 10,00,000 in its capital structure obtained @10 percent. What are its financial leverage, operating leverage and combined leverage?

b) Write a brief note on financial, operating and combined leverage.

5. What do you mean by capital structure? Write a detailed note on theories of capital structure.

UNIT-III

6. Critically evaluate Walter's Model.

7. A company is considering two mutually exclusive projects. The estimated cash flow for each project are as follows :

Year	Project 1	Project 2
0	-35000	-45000
1	12000	22000
2	10000	20000
3	10000	10000
4	10000	10000

Which project should be accepted if the discount rate is 12%? Scrap value in both projects at the end is Rs.3000.

UNIT-IV

8. Define working capital. Discuss in detail, the sources of working capital.

9. Two materials, X and Y are used as follows :

   Minimum usage - 50 units per week each;

   Maximum usage -150 units per week each;

   Normal usage -100 units per week each;

   Ordering quantity : X - 600 units and Y -1,000 units

   Delivery period X - 4 to 6 weeks; Y - 2 to 4 weeks

   Calculate :

   a) Minimum level

   b) Maximum level

   c) Ordering level

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.