Roll No. □□□□□□□□□□□□ **Total No. of Pages :02**

Total No. of Questions : 09

B.Com. (Honours) (Sem.–5)

FINANCIAL MANAGEMENT

Subject Code : BCOM-501-18

M.Code : 78172

Date of Examination : 21-11-2025

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. What do you understand by finance function?

b. Time value of money.

c. What are the components of cost of capital?

d. What is financial leverage?

e. Capital rationing

f. What is gross working capital?

g. Discuss the concept of inventory management.

h. Determinants of capital structure.

i. Calculate the payback period if an investment ofRs. 60,000 in a project is expected to produce CFAT of Rs. 15,000 annually for 8years.

j. Concept of operating cycle.

SECTION - B

UNIT - I

2. What do you mean by financial management? Describe its nature, scope and objectives.

3. Describe in detail the compounding and discounting techniques of time value of money.

UNIT - II

4. Explain the importance of capital structure planning. Briefly discuss the major factors should be the features of an appropriate capital structure.

5. Discuss the various theories of capital structure in detail.

UNIT - III

6. What are the determinants of dividend policy? Discuss the dividend theories.

7. Shyam Ltd is considering two projects, only one of which can be accepted. The data in respect of these two are given as below:

	Project A	**Project B**
Initial Outlay	10,000	50,000
Net Inflows	Net Inflows	Net Inflows
Year 1	5,000	10,000
Year 2	5,000	15,000
Year 3	3,000	25,000
Year 4	2,000	25,000
Year 5	1,500	21,000

Calculate :

a. NPV at 10% discount rate.

b. The internal rate of return.

Also, suggest which project should be selected by the firm.

UNIT - IV

8. Explain the various methods used for estimating working capital requirements.

9. What are the objectives of cash management? What are the factors affecting the cash needs of a firm?

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.