No. of Printed Pages—3

401 (FM)

[16–HDGKACRM–M2]

PGDBM/MBA 2nd Semester Exam., 2016

(Code : PGDBM07/MBA07)

Financial Management

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each in around *50* words) : 2×5=10

(a) What are the sources of debt capital available to a company?

(b) Mention two advantages of risk-adjusted discounted rate method of risk analysis.

(c) What is cash dividend?

(d) What is outsourcing?

(e) What are the approaches of estimating working capital needs of a company?

(f) What are different forms of inventory?

2. Answer any *three* from the following questions (each in around *150* words) : 4×3=12

(a) Write a note on time value of money.

(b) What are different forms of bank finance?

(c) Write a note on cash planning.

(d) Briefly discuss the motives of holding inventories.

3. Answer any *three* from the following questions (each in around *250* words) : 6×3=18

(a) Why are investment decisions important for business? Discuss.

(b) How is the weighted average cost of capital of a firm calculated? Discuss.

(c) What are the elements of capital structure? Discuss.

(d) Discuss the constraints of paying dividend.

4. Answer any *four* from the following questions (each in around *500* words) : 10×4=40

(a) What is financial management? Discuss the role of a modern financial manager.

(b) Critically evaluate the net present value method of evaluating investment proposals.

(c) How are the cost of debt and equity computed? Discuss briefly.

(d) Discuss the elements of receivable management.

(e) What are the advantages and limitations of bonus shares? Discuss.

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