2024/SEM/EVEN/03/11/COM-551/055

PG Even Semester Exam, 2024

Commerce

2nd Semester

COURSE NO. COM - 551

[Financial Management]

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer five questions, taking one from each Unit

UNIT-I

1. What do you mean by 'Financial Management'? Discuss the nature & scope of financial management. 4+5+5=14
2. 'Wealth maximization is the ultimate objective of the firm'. Examine the statement. 14

UNIT-II

3. a. Write the significance of capital Budgeting.
   b. A project cost Rs. 2,00,000 as initial investment. The cash in flows are as follows: 4+10=14

Turn over

	₹
1st year	40,000
2nd year	50,000
3rd year	60,000
4th year	40,000
5th year	30,000

Calculate:

(i) Pay back period

(ii) Net present value @ 10% discount factor

(iii) Profitability Index @ 10% discount factor

(iv) Accounting Rate of Return Discount factor @10% rate are as follows:

Year	1st	2nd	3rd	4th	5th
Discount Factor @10%	·909	·826	·751	·683	·621

4. Under What circumstances, NPV & IRR methods provide similar result? Also delineate the situation when NPV & IRR methods give divergent result. 7+7=14

UNIT-III

5. What is cost of capital? Discuss in detail the significance of cost of capital. 6+8=14
6. Discuss the Net income approach and Net operating income approach. 14

UNIT-IV

7. Write a detail note on Walter's model on dividend policy. 14
8. Discuss the factors influencing dividend policy of a company. 14

UNIT-V

9. Discuss the factor influencing working capital requirements of a company. 14
10. What do you mean by working capital? Discuss the sources of working capital of a company. Also highlight the importance of working capital management. 4+5+5=14

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