

Roll No.

Total Pages : 3

301408

May 2024

**BBA (GEN) Re-Appear IV Semester
Financial Management (BBA-GEN-401)**

Time : 3 Hours]

[Max. Marks : 75

Instructions :

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part-B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

PART-A

1. (a) Financial Management. (1.5)
- (b) Time value of money. (1.5)
- (c) Cost of capital. (1.5)
- (d) NPV. (1.5)
- (e) IRR. (1.5)
- (f) Operational leverage. (1.5)
- (g) Financial Leverage. (1.5)
- (h) Dividend. (1.5)

301408/120/111/319

239 [P.T.O.]

- (i) Cash management. (1.5)
 (j) Inventory Management. (1.5)

PART-B

2. (a) Explain the functions of financial managers. (7.5)
 (b) Discuss profit vs. wealth maximization. (7.5)
3. Distinguish between :
 (a) ARR and PBP. (5)
 (b) NPV and IRR. (10)
4. Describe the capital structure theories with proper interpretation. (15)
5. (a) Write a note on EPS-EBIT analysis. (5)
 (b) Discuss the determinants of dividend policy. (10)
6. (a) Explain the receivable management with suitable examples. (7.5)
 (b) ABC Ltd. issues 15% debentures of face value of Rs. 1000 each at a floatation cost of Rs. 50 per debenture. Find out the cost of capital of the debenture which is to be redeemed in 5 annual installments of Rs. 200 each starting from the end of year 1. The tax rate is 30%. (7.5)

7. Calculate (1) Net operating cycle period
 (2) No. of operating cycles in a year (15)

(a) Raw material inventory consumed during the year	12,00,000
(b) Av. stock of raw material	1,00,000
(c) Work-in-progress Inventory (cost of production)	10,00,000
(d) Av. work in progress Inventory	60,000
(e) Finished goods Inventory (Cost of goods sold)	16,00,000
(f) Av finished goods stock held	80,000
(g) Av. collection period for debtors	45 days
(h) Av. credit period availed from suppliers	30 days
(i) No of days in a year	360 days