

TB243142S

8/20/11

Reg. No :

Name :

BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, NOVEMBER 2024

2023 ADMISSIONS REGULAR

B.M.S SEMESTER III - CORE COURSE

MS3C12B23 - Financial Management

Time : 3 Hours

Maximum Marks : 80

Part A

I. Answer any Ten questions. Each question carries 2 marks

(10x2=20)

1. Mention any two significance of financial management.
2. Identify the objectives of financial management.
3. Do the NPV and PI always lead to the same investment decision? Justify.
4. Identify the method in which the cash flows of a project are discounted at a suitable rate by hit and trial method, which equates the net present value so calculated to the amount of the investment.
5. Determine the pay-back period for a period which requires a cash outlay of Rs.10,000. and generate cash inflows of amount 2000, 4000, 3000 and 2000 in the 1st, 2nd, 3rd and 4th year respectively.
6. Explain Domestic financial management.
7. Give any 2 objectives of International Financial Management.
8. Recall your understanding on trading on equity.
9. Explain stable dividend policy.
10. Explain gross working capital.
11. Explain EOQ.
12. Differentiate gross working capital and net working capital.

Part B

II. Answer any Six questions. Each question carries 5 marks

(6x5=30)

13. A Ltd wants to know the present value of Rs.100000 which will be received after 5 years as per the scheme. Assuming interest rate is 8%. Determine the present value of amount.
14. Suppose that Rs.1000 are placed in the savings account of a bank at 5% interest rate. What will be the value of it after 3 years.
15. A firm sells 80000 units of a product. The selling price per unit is 8 and the variable cost per unit is 2. Fixed cost for the year amounts to 3, 30,000. Calculate operating leverage at 80,000 units and 96,000 units.
16. Enumerate the importance of working capital.
17. Calculate composite leverage, if a company has sales of Rs.70000 and variable cost Rs.50000, fixed cost of Rs.120000 and long term loans of Rs.40000 at 10% rate of interest.
18. Write a short note on NPV and PI with formula.
19. Discuss Walter's model.
20. Enumerate the factors influencing dividend decision.
21. Discuss the objectives of receivable management.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Critically analyse the significance of financial management.
23. Briefly explain different factors influencing dividend decisions.

24. Zltd has an investment opportunity costing Rs.40,000 with the expected cash inflow ie after tax and before depreciation.

Years	1	2	3	4	5	6	7	8	9	10
Cash inflows	7000	7000	7000	7000	7000	8000	10000	15000	10000	4000

Using 10% as the cost of capital, compute:

1. NPV,
2. PI and
3. Discounted pay-back period.

25. Explain the factors influencing working capital requirements.