TB25380CJ

Reg. No :.....

Name :.....

BACHELOR'S DEGREE EXAMINATION, OCTOBER 2025

2024 ADMISSIONS REGULAR

SEMESTER III - MAJOR (COMMERCE)

CO3DSEA01B24 - Financial Management

Time : 2 Hours

Maximum Marks : 70

Part A

Answer all questions from the bunch of CO1. Each question carries 2 mark. (2x3=6)

1. Explain the concept of Time value of money [CO1,Understand]
2. Discuss the objectives of Financial management [CO1,Understand]
3. Describe the meaning of Business finance [CO1,Understand]

Part A

Answer all questions from the bunch of CO2. Each question carries 2 mark. (2x3=6)

4. Explain how operating leverage and financial leverage together form composite leverage [CO2,Understand]
5. Explain the term Leverage with an example [CO2,Understand]
6. Interpret the meaning of the term Over capitalisation [CO2,Understand]

Part A

Answer all questions from the bunch of CO3. Each question carries 2 mark. (2x3=6)

7. Mention any three features of capital budgeting. [CO3,Understand]
8. Explain the term NPV method. [CO3,Understand]
9. Describe decision tree analysis. [CO3,Understand]

Part A

Answer all questions from the bunch of CO4. Each question carries 2 mark. (2x3=6)

10. Decribe dvidend policy. [CO4,Understand]
11. Explain Bonus issue. [CO4,Understand]
12. Explain retention ratio. [CO4,Understand]

Part B

Answer any 2 questions from the bunch of CO1. Each question carries 6 mark. (6x2=12)

13. Summarize the responsibilities of a finance manager in financial decision-making [CO1,Understand]
14. Explain the practical applications of the concept of Time Value of Money [CO1,Understand]
15. Describe the major drawbacks of adopting profit maximisation as the sole financial objective in a concern. [CO1,Understand]

Part B

Answer any 2 questions from the bunch of CO2. Each question carries 6 mark. (6x2=12)

16. Explain why Retained earnings is known as ploughing back of profits [CO2,Understand]
17. Differentiate between Operating leverage and Financial leverage [CO2,Understand]
18. Explain the concept of EBIT-EPS Analysis [CO2,Understand]

Part B

Answer any 2 questions from the bunch of CO3. Each question carries 6 mark. **(6x2=12)**

19. Write short notes on the following:
    a) Capital Budgeting b) Cut off point [CO3,Understand]
20. State the merits and demerits of IRR method. [CO3,Understand]
21. A project requires Rs. 200000 as initial investment. It will generate an annual cash inflow of Rs. 50000 for 8 years. Calculate its pay back period. [CO3,Analyse]

Part C

Answer any 1 question from the bunch of CO4. Each question carries 10 mark. **(10x1=10)**

22. Explain bonus issue. Mention its advantages an disadvantages. [CO4,Understand]
23. Explain SEBI guidelines for issue of bonus shares. [CO4,Understand]