

Paper Code: BBA3306  
School of Management, BBD University  
Program: IMBA Sem: 4

First Sessional Test Paper Even Sem (2023-24)

Subject: FINANCIAL MANAGEMENT

Time: 60 Minutes

Max. Marks: 30

SECTION-A

(This section contains very short answer type questions)

Q. No. 1. Attempt *All parts* of the following:

[5\*1 = 5]

- Define Capital Budgeting.
- Give two examples of Capital Expenditure.
- As a finance manager suggest which project to select, if for Project A payback period is 5 years and for Project B payback period is 2 years
- Explain the term new venture capital..
- Give the formula of Compounding and Discounting used by finance managers.

SECTION-B

Q.No.2. Attempt *any Two* of the following:

[7.5\*2 = 15]

- Outline the responsibilities of Financial Manager for maintaining effective control.
- Explain in detail the objectives of Financial Management.
- Initial investment Rs 10000, annual cash inflow ( after tax but before depreciation) in first four years is Rs 2500 and in next six years Rs 1250, Estimated life 10 years, Salvage value Nil . Calculate Payback Period.
- Calculate the discounted payback period if,

Cost of Project- Rs 2400000      Working life of project-5 years

Annual Cash inflows-Rs. 800000      Present Value factor at 10%

Years	1	2	3	4	5
P.V. F	0.909	0.826	0.751	0.683	0.621

SECTION-C

Q. No. 3. Attempt *any One* of the following:

[10\*1= 10]

- Discuss in detail the different types of capital budgeting techniques.
- Differentiate between profit maximization and wealth maximization
- Elaborate the term Financial Management and also discuss the functions of Financial Management.