



ADITYA DEGREE COLLEGES

ANDHRA PRADESH

II SEMESTER –BBA-MID-I EXAMINATIONS

Date: 07.03.2025

SUB: Fundamentals of Financial Management(minor)

Max Marks : 60M

Time : 2 Hr

SECTION- A

I. Answer any FIVE Questions:

5 X 4 = 20 M

1. Profit Maximization Vs Wealth Maximization.
2. Nature of Financial Management.
3. Significance of cost of capital.
4. What is capital structure and features.
5. Optimum Capital Structure.
6. WACC.
7. Functions of Financial Manager.
8. Capital structure planning.

SECTION- B

II. Answer all the questions:

4 X 10 = 40 M

9. a) What is Financial Management and explain the scope of Financial Management .
Or
b) Explain about the Objectives of Financial Management.
10. a) What is cost of capital, and explain computations of cost of capital.
Or
b) A company issued 20,000 shares @ 8% preferences shares of ₹100 each. Redeemable after 8 years at a premium of 10%. The cost of issue is ₹ 2 per share. Calculate the cost of preference share capital.
11. a) What is leverage and explain types.
Or
b) Explain about the factors determining the capital structure.
12. a) Explain about the Traditional and MM Hypothesis Theories.
Or
b) From the following information calculate the 3 leverages ? and give the Interpretation.

Sales	1,00,000
Variable Cost	60,000
Fixed Cost	20,000
Interest	10,000