



ADITYA DEGREE COLLEGES

* ANDHRA PRADESH *

IV SEMESTER - I MID EXAMINATIONS
II -BBA major -FINANCIAL MANAGEMENT

Time : 2 Hours
Max. Marks : 60

Date: 31 -01-2025

SECTION-A

I. Answer any FIVE Questions. 5X4=20 M

1. What are the objectives of Finance functions.
2. What is importance of Financial management.
3. Risk Analysis in Capital Budgeting.
4. Capital Rationing.
5. Importance of Capital Budgeting.
6. State the difference between Profit maximization and Wealth maximization
7. State the important functions of Finance manager.
8. Explain the Functions of Financial Management

SECTION - B

II. Answer ALL Questions. 4X10=40 M

9. (a) What is Financial Management? Explain the objectives of Financial Management?
(Or)
(b) What do you understand by Financial Decisions? Discuss the major Financial decisions?
10. (a) Discuss the Roll of Financial Manager?
(Or)
(b) What are the Nature and Scope of Financial Management.
11. (a) Explain the different methods for evaluating Investment Proposal?
(Or)
(b) The Financial Manager has to advice the Board of directors on choosing between to competing project proposals which require an equal investment of Rs. 50,000/- each and are expected to generate cash flows as under:

YEAR	PROJECT -I	PROJECT - II
1	25,000	10,000
2	15,000	12,000
3	10,000	18,000
4	NIL	25,000
5	12,000	8,000
6	6,000	4,000

Assume the cost of capital to be 10% p.a. find the Pay back Period and NPV

12. (a) Discuss the differences between N.P.V and I.R.R methods?

(Or)

(b) A Company has to make a choice between two projects namely A&B. The initial Investment Cost of two projects are 1,35,000/- & 2,40,000/- respectively for project A and B. The cost of Capital of the company is 16%(discount factor rate). The annual cash flows are as follows.

YEAR	PROJECT - A	PROJECT - B
1	30,000	60,000
2	30,000	84,000
3	1,00,000	96,000
4	86,000	1,02,000
5	84,000	90,000

You are required to calculate for each project.

- (i) Pay back Period
- (ii) Net present value
- (iii) Profitability Index.