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Paper Code :DMB-112

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**DBA-4, ADBA-4**  
**1<sup>st</sup> Year Examination, Calendar Batch 2017**  
**Financial Management**

*Time : 3 Hours ]*

*[ Max. Marks : 100*

**Note.** (A) Attempt any **five** questions.

(B) Each question carries equal marks. (20\*5)

- Q.1** Explain various sources of working capital finance.
- Q.2** What are the two main aspects of finance function? Discuss the important functions of a finance manager.
- Q.3** What are the different principles of capital structure management?
- Q.4** Define optimal capital structure. How it is linked with cost of capital?
- Q.5** Enumerate the aspects of capital structure planning.
- Q.6** What do you understand by over and under capitalization? Comment on their causes and effects on the different sectors along with the remedies, in brief.
- Q.7** The operating and combine leverage of a company is 2 and 3 respectively at the present level of sales of 10000 units . the selling price per unit is 12 while variable cost is 6. The company has no preference share capital. Tax rate is 50%. The rate of interest on company's debt is 16% p.a . what is the amount of debt in capital structure of the company.
- a.** A project of Rs.2000000 yielded an annual profit of Rs. 300000. Calculate the pay back period.
  - b.** Discuss the advantages and disadvantages of Pay back period method of capital budgeting.
- Q.8** Explain wealth maximization and profit maximization objectives of the financial management.