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**Paper Code :DMB-112**  
**Roll No.**

**DBA-4, ADBA-4**  
**1st Year Examination, Academic Batch 2018**  
**Financial Management**

*Time : 3 Hours ]*

*[ Max. Marks : 100*

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

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

**1.** What is the role of finance manager in the organization? Explain the functions of finance manager.

**2.** What is over and under capitalization? Explain the causes and impact of over and under capitalization.

**3.** Discuss the factor affecting the capital structure.

**4.** What do you mean by cost of capital? How the cost of capital is calculate for equity share, preference share, debenture and retain earnings?

**Q.5** Write short notes on:

(a) Cost of capital

(b) Operating and financial leverage

**Q.6** Payback period, as a method of evaluating investment proposal, suffers from a number of limitations. Discuss.

**Q.7** Write short notes on

(a) Net present value method

(b) Internal rate of return method

**Q.8.** Calculate the Net Present Value of a project involving initial cash outflow Rs. 1,00,000

and generating cash inflows of Rs. 35000, Rs.40000 Rs. 30000 and Rs. 50000. The discounted rate is 15%.