

- Q.24 Write down the main objectives of Time value of money.
- Q.25 Explain the meaning and importance of solvency ratios.
- Q.26 State the objectives of Ratio analysis.
- Q.27 Write down the importance of fund flow statement.
- Q.28 State the objectives of Cash flow statement.
- Q.29 Profit maximization is a better criterion than wealth maximization comment.
- Q.30 Make a comparison with NPU and IRR methods.
- Q.31 Explain compound value method of Times value of money.
- Q.32 Illustrate the concept of cash flow statement with example.
- Q.33 Explain any two Activity ratios with example.
- Q.34 Write down the importance of solvency ratios in financial management.
- Q.35 State the important as well as difficulties in capital budgeting.

SECTION-D

- Note:** Long answer type questions. Attempt any two questions out of three questions. (2x10=20)
- Q.36 The medium approach is an improvement of traditional approval comment. Also mention its scope.
- Q.37 Prepare a fund flow statement with the help of imaginary figures as per accounting standard.
- Q.38 Discuss the meaning & importance of time value of money. Also explain the net present value with examples.

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3rd Sem / DBM, DAM (IPM), FAA

Subject:- Financial Management

Time : 3Hrs.

M.M. : 100

SECTION-A

Note: Multiple choice questions. All questions are compulsory (10x1=10)

- Q.1 Two basic measures of liquidity are
- Inventory turnover & current Ratio
 - Current Ratio and Quick Ratio
 - Gross Profit & operating Ratio
- Q.2 Current Ratio is :-
- solvency Ratio
 - Liquidity Ratio
 - Activity Ratio
 - Profitability Ratio
- Q.3 Current assets expected to be realised within _____
- 3 months
 - 6 months
 - 01 years
 - 02 years
- Q.4 Quick Ratio is also known as
- Liquid ratio
 - Current ratio
 - Working Capital ratio
 - None of these
- Q.5 Which of the following is considered cash equivalents?
- Investment
 - Marketable securities

(40)

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- c) Debtors d) All of above
- Q.6 Dividend paid by Trading co. is :-
- Cash flow from operating activities
 - Cash flow from investment activities
 - Cash flow from financing activities
- Q.7 Cash Deposited in bank will be classified as:-
- Cash flow from operating activities
 - Cash flow from investing activities
 - Cash flow from financing activities
 - No Cash flow
- Q.8 Credit Purchase 12,00,000, opening creditors 2,00,000, closing creditors Rs 1,00,000, then Trade payable turnover ratio is
- 6 times b) 4 times
 - 8 times
- Q.9 Discount rate that makes NPV equal to zero is known as :-
- Benefit - Cost ratio
 - Discount Payback Period
 - Internal rate of return
- Q.10 Watered capital means :-
- Over capitalization
 - Under capitalization
 - Capital not represented by assets
 - None of above

SECTION-B

Note: Objective type questions. All questions are compulsory. (10x1=10)

- Q.11 Cash deposits by customers in bank is cash flow from operating activities. (T/F)
- Q.12 Cash from operating activities will decrease due to increase in C. assets. (T/F)
- Q.13 If debt equity ratio exceeds 2:1, its indicate no risk. (T/F)
- Q.14 Goodwill is a part of current assets. (T/F)
- Q.15 Difference between C.assets and C.Liabilities is called working Capital. (T/F)
- Q.16 Operating Profit is a cash from operating profit.(T/F)
- Q.17 Dividend is a cash flow from financing activity in cash flow statement. (T/F)
- Q.18 Boom is the best time to raise capital of a company. (T/F)
- Q.19 Creation of value for shareholders is basic of financial management. (T/F)
- Q.20 In financial market, the long the term financial instruments are _____ market.

SECTION-C

Note: Short answer type questions. Attempt any twelve questions out of fifteen questions. (12x5=60)

- Q.21 Discuss the nature and scope of financial management.
- Q.22 Write down the main function of Financial management.
- Q.23 What are the basic qualification one should possess to become a successful Financial Manager?