

- Q.18 What are the main factors that influence capital structure of a company?
- Q.19 Highlight the importance of cost of capital.
- Q.20 Write a short note on relevance of dividend decisions.
- Q.21 Briefly explain important factors that affect dividend policy of a company.
- Q.22 Briefly explain main functions of a finance manager.

SECTION-D

- Note:** Long answer type questions. Attempt any two questions out of three questions. (2x8=16)
- Q.23 What are long term sources of finance? Explain in detail long-term sources of finance.
- Q.24 What do you mean by ‘dividend’? Explain in detail types of dividend.
- Q.25 What is capital budgeting? Explain some methods of capital budgeting in detail.

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5th Sem / Finance, Accounts and Auditing Subject : Financial Management

Time : 3 Hrs. M.M. : 60

SECTION-A

Note: Multiple choice questions. All questions are compulsory (6x1=6)

- Q.1 The percentage of profits that is distributed to shareholders is called:
 a) Retention Ratio b) Pay-out Ratio
 c) Current ratio d) None of the above
- Q.2 Which of these is a short-term source of finance?
 a) Equity shares b) Preference Share
 c) Debentures d) Commercial Papers
- Q.3 How do you calculate Net Present Value (NPV)?
 a) Present Value of Cash Outflow-Present Value of Cash Inflow
 b) Present Value of Cash Inflow - Present Value of Cash Outflow
 c) Present Value of Cash Inflow + Present Value of Cash Outflow
 d) None of the above

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- Q.4 The rate of return at which present value of cash inflow is equal to present value of cash outflow is called:
- Internal Rate of Return
 - External Rate of Return
 - Outstanding Rate of Return
 - None of the above
- Q.5 Which of these factors affect capital structure decisions of a company?
- Cost of capital
 - Regularity of profits
 - Flexibility
 - All of the above
- Q.6 Proportion of long-term sources of finance is known as :
- Capital Budgeting
 - Working Capital Management
 - Capital Structure
 - None of the above

SECTION-B

Note: Objective/ Completion type questions. All questions are compulsory. $(6 \times 1 = 6)$

- Q.7 In _____, we decide the sources of finance.
(Investments decision / Finance decision)

- Q.8 The amount of profit that is reinvested in business and not distributed to shareholders is called _____ (retained earnings/ dividend)
- Q.9 Decision regarding investment in fixed asset is known as capital budgeting. (True/False)
- Q.10 _____ concept says that value of one rupee is different time period. (Place value of money / Time value of money)
- Q.11 Bank overdraft is a long-term source of finance. (True/False)
- Q.12 Capital Budgeting is a part of dividend decision of the firm. (True/False)

SECTION-C

Note: Short answer type questions. Attempt any eight questions out of ten questions. $(8 \times 4 = 32)$

- Q.13 Write a short note on long-term sources of finance.
- Q.14 Explain different types of dividend policies in brief.
- Q.15 Briefly explain some of the factors that affect cost of capital.
- Q.16 Write a short note on objectives of financial management.
- Q.17 Highlight the importance of concept of time value of money.