

- Q.23 Which type of qualification a finance manager need to have?
- Q.24 Discuss the sources of long term finance.
- Q.25 Mention the function of financial management.
- Q.26 Explain the needs of time value of money.
- Q.27 What is ratio? Explain liquidity ratios.
- Q.28 Tabulate the format of fund flow statement.
- Q.29 Discuss the problems faced by the financial manager at the time of taking Capital budgeting decisions.
- Q.30 Mention the items included in cash flow statement.
- Q.31 Define fund. Explain the need for making fund flow statement.
- Q.32 What are objectives of cash flow statement?
- Q.33 Discuss various techniques of capital budgeting.
- Q.34 What are the scope of financial management?
- Q.35 Discuss various types of Ratios.

#### **SECTION-D**

**Note:** Long answer type questions. Attempt any two questions out of three questions. (2x10=20)

- Q.36 What do you mean by financial management. Discuss the qualities of a financial manager.
- Q.37 Explain the methods of time value of money.
- Q.38 Discuss the objectives and importance of Ratio analysis.

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**3rd Sem / DBM, DBM (IPM), FAA  
Subject:- Financial Management - 1**

Time : 3Hrs.                                    M.M. : 100

#### **SECTION-A**

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

- Q.1 Business finance is needed to -  
 a) Establish a business b) Run a business  
 c) Expand a business d) all of these
- Q.2 If dividend portion of total earnings is high, portion of retained earnings will be  
 a) Low    b) High  
 c) Not affected                                d) None of these
- Q.3 Liquid ratio is equal to liquid assets divided by-  
 a) Current liabilities  
 b) Total liabilities  
 c) Contingent liabilities  
 d) Non-current liabilities
- Q.4 What is the primary goal of financial management  
 a) To minimize the financial risk  
 b) To maximize the owner's wealth  
 c) To maximize the return  
 d) To raise profit

**Q.5** CAPM stands for-

- a) Capital Amount Pricing Model
- b) Capital Assets Pricing Model
- c) Current Assets Printing Model
- d) Current Amount Printing Module

**Q.6** Financial management decision deals with-

- a) Profit maximization b) Sales maximization
- c) Wealth maximization d) Assets maximization

**Q.7** Long term finance is required for

- a) Current assets      b) Fixed assets
- c) Intangible assets    d) None of these

**Q.8** What is an asset-

- a) Inflow of fund      b) Use of fund
- c) Source of fund      d) All of these

**Q.9** Current assets are also referred to as-

- a) Inventory            b) Working capital
- c) Live stock            d) Investment

**Q.10** Capital budgeting is a part of-

- a) Investment decision
- b) Working capital management
- c) Marketing decision
- d) Capital structure

## **SECTION-B**

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

**Q.11** The primary objective of financial management is to arrange wealth for Shareholders. (True/False)

**Q.12** Investment is the employment of funds on assets to earn returns. (True/False)

**Q.13** Capital budgeting decisions are long term decision . (True/False)

**Q.14** Working capital turnover ratio may be classified as activity ratio. (True/False)

**Q.15** Cash planning is a part of long term financial planning .(True/False)

**Q.16** NPV stands for Net Present Value. (True/False)

**Q.17** Capital structure determines the least expensive sources of funds for the firm to borrow. (True/False)

**Q.18** Financial accounting states the financial position of a concern. (True/False)

**Q.19** Current ratio is a solvency ratio. (True/False)

**Q.20** Financial management is essential for all types of organizations. (True/False)

## **SECTION-C**

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

**Q.21** What are the functions of financial management?

**Q.22** Discuss the nature of financial management.