

Section-C

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

- Q.21 What do you mean by Financial Management?
- Q.22 Explain in brief investment decision.
- Q.23 What are the qualifications of finance manager?
- Q.24 Explain the meaning of time value of money.
- Q.25 What do you mean by liquidity ratios?
- Q.26 Explain the importance of ratio analysis.
- Q.27 What are the main difficulties in taking capital budgeting decision?
- Q.28 Explain Net Present Value Method of capital budgeting.
- Q.29 Write a short note on debentures as a long-term source of finance.
- Q.30 What do you mean by retained earning?
- Q.31 What do you mean by inventory control?
- Q.32 What is Economic Order Quantity (EOQ)?
- Q.33 Explain the objectives of inventory management.
- Q.34 Write a short note on Accounting Standard-3.
- Q.35 What do you mean by activity ratios?

Section-D

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

- Q.36 Explain in detail scope of Financial Management.
- Q.37 What is capital budgeting? Explain in detail nature and importance of capital budgeting.
- Q.38 Explain in detail different techniques of inventory management.

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**5th Sem. / Fin., Acc. & Aud.
Subject : Financial Management**

Time : 3 Hrs.

M.M. : 100

SECTION-A

Note: Multiple type Questions. All Questions are compulsory. (10x1=10)

- Q.1 Which are the main types of financial decisions?
a) Investment Decision b) Financing Decision
c) Dividend decision d) All of the above
- Q.2 If present value of inflow is less than the present value of outflow, its Net Present Value will be :
a) Positive b) Negative
c) Zero d) None of the above
- Q.3 Which ratios show the long-term financial position of the company?
a) Liquidity Ratios b) Solvency Ratios
c) Profitability Ratios d) None of the above
- Q.4 Which are two approaches to discuss objectives of Financial Management:
a) Profit Maximization b) Wealth Maximization
c) Both A & B d) None of the above

- Q.5 A project with Positive NPV _____:
 a) Should be selected b) Should be rejected
 c) Should be ignored d) None of the above
- Q.6 Debenture-holders receives _____ on their debentures:
 a) Dividend b) Profits
 c) Interest d) Retained Earnings
- Q.7 Which of these are long-term sources of Finance?
 a) Equity Shares b) Preference Shares
 c) Debentures d) All of the above
- Q.8 Which of these are objectives of inventory management?
 a) Keeping an adequate amount of inventory
 b) Minimizing the wastage.
 c) Making maximum use of inventory
 d) All of the above
- Q.9 Which of these qualities should be there in a good finance manager?
 a) Good communications skills
 b) Knowledge of Finance
 c) Honest
 d) All of the above
- Q.10 The amount of inventory that a business should buy in one order so as to save its costs is known as:
 a) LIFO b) HIFO
 c) FIFO d) EOQ
- Section-B**
- Note:** Objective type questions. All questions are compulsory. (10x1=10)
- Q.11 Decision regarding investment in fixed asset is known as _____ (Capital Budgeting/ Working Capital Management)
- Q.12 Present Value of a sum of money is _____ than the future value of money. (Less/More)
- Q.13 Capital Budgeting decisions are _____. (Reversible / Irreversible)
- Q.14 The period in which an asset recovers/earns back the original investment is known as _____ (payback Period/ Cash back Period)
- Q.15 The amount of profits that a business reinvests for future use is known as _____ (Net Profits / Retained Earnings)
- Q.16 _____ are the real owners of a company. (Equity share holders/ Creditors)
- Q.17 What is the full form of LIFO?
- Q.18 If we invest Rs. 100 today and get Rs. 110 one year later, we can say that Rs. 100 is the _____ of Rs. 110 received a year later. (Present Value/ Future Value)
- Q.19 What is the full form of FIFO in context of inventory management?
- Q.20 Financial Management is required in only large organizations. (True/False)