

- Q.25 What do you mean by financial management?
Discuss the functions of financial management.
- Q.26 Discuss the long term sources of finance.
- Q.27 What are the advantages of inventory control.
- Q.28 Discuss the qualities of finance manager.
- Q.29 Explain briefly the methods of evaluating investment projects.
- Q.30 Discuss the benefits of holding inventory.
- Q.31 Explain Net present Value.
- Q.32 Examine the need of capital budgeting decisions.
- Q.33 Critically examine debentures as a source of finance.
- Q.34 Discuss solvency ratio.
- Q.35 What do you mean by ratio analysis.

SECTION-D

- Note:** Long answer type questions. Attempt any two questions out of three questions. (2x10=20)
- Q.36 What do you mean by time value of money? Explain different methods used in it.
- Q.37 "The Wealth maximization objective provides and operationally appropriate decision criterion". Comment
- Q.38 What do you mean by finance function? Discuss its objectives.

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

Time : 3Hrs.

M.M. : 100

SECTION-A

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

- Q.1 What is the primary goal of financial management
- To minimize the risk
 - To maximize the owner's wealth
 - To maximize the return
 - To raise profit
- Q.2 The market value of the shares is decided by
- The investment market
 - The government
 - The shareholders
 - The respective company
- Q.3 Liquidity position of the company can be checked by
- current ratio
 - quick ratio
 - Interest coverage ratio
 - both (a) and (b)
- Q.4 The financial management function has become _____ and complex
- Less demanding
 - More demanding
 - Less important
 - Outdated

Q.5 _____ technique can be used to take capital budgeting decision.

- a) ABC b) NPV
- c) EOQ d) LIFO

Q.6 The _____ approach of financial management provides analytical framework for financial problems.

- a) Classical b) Traditional
- c) Modern d) Empirical

Q.7 _____ is the main goal of financial management

- a) Profit maximization b) fund transfer
- c) maximum returns d) Wealth maximization

Q.8 _____ technique is used for inventory control

- a) EOQ b) NPV
- c) IRR d) PI

Q.9 For maximizing the profit, the costs should be _____

- a) Ignored b) Maximized
- c) Minimized d) Upgraded

Q.10 _____ Maximization objective ignores timing of benefits i.e. time value of money

- a) Profit b) Wealth
- c) Value d) Both A and B

SECTION-B

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

Q.11 Planning is the function of financial management. (True/False)

Q.12 Fixed assets are used for longer period. (True/False)

Q.13 The wealth maximization approach is considered good in present situation. (True/False)

Q.14 Treasurer is the custodian for funds and securities. (True/False)

Q.15 Share capital is the permanent capital of the company. (True/False)

Q.16 Debenture holders are the real owners of the company. (True/False)

Q.17 Retained earnings are the external source of finance. (True/False)

Q.18 Quick ratio is used to check the liquidity position of the concern. (True/False)

Q.19 Profitability index is also called benefit cost ratio. (True/False)

Q.20 Average usage is that quantity of raw material which is used daily in the business. (True/False)

SECTION-C

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

Q.21 How is wealth maximization objective is better than profit maximization objective? Explain

Q.22 Discuss the different types of debenture.

Q.23 Explain Economic Order Quantity technique of inventory control.

Q.24 Write down the objectives of time value of money.