

### **SECTION-C**

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

- Q.21 Write a short note on nature of financial management.
- Q.22 Discuss scope of financial management.
- Q.23 Explain two objectives of financial management.
- Q.24 Explain importance of time value of money.
- Q.25 What do you mean by solvency ratios?
- Q.26 Explain the objectives of ratio analysis.
- Q.27 What is importance of capital budgeting decisions?
- Q.28 Explain payback method of capital budgeting.
- Q.29 Write a short note on shares as a long-term source of finance.
- Q.30 Explain in brief term loan as a long-term source of finance.
- Q.31 What do you mean by inventory management?
- Q.32 Write a short note on ABC analysis.
- Q.33 What are the advantages of inventory control?
- Q.34 What do you mean by time value of money?
- Q.35 What do you mean by the term "compound value"?

### **SECTION-D**

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

- Q.36 Explain in detail long term sources of finance.
- Q.37 Write a note on quality and qualifications of finance manager.
- Q.38 Explain in detail different types of ratios.

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**5th Sem. / Finance, Accounts and Auditing**

**Subject:- Financial Management**

Time : 3Hrs.

M.M. : 100

### **SECTION-A**

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

- Q.1 Decision regarding investment in fixed asset is known as:
- a) Capital Budgeting
  - b) Working capital Management
  - c) Dividend decision
  - d) Financial decision
- Q.2 If present value of inflow is more 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 of these is true about Capital Budgeting decisions?
- a) These are related to fixed assets of the organization
  - b) These are irreversible decisions
  - c) These affect the long-term profitability of the firm
  - d) All of the above

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- Q.4 The period in which an asset recovers/earns back the original investment is known as:  
 a) Discount value      b) Payback Period  
 c) Investment      d) Cashback
- Q.5 The amount of profits that a business reinvests for future use is known as:  
 a) Net profit      b) Profits after tax  
 c) Retained earnings      d) Profits before tax
- Q.6 \_\_\_\_\_ are the real owners of a company  
 a) Equity shareholders  
 b) Preference shareholders  
 c) Debentures  
 d) Creditors
- Q.7 If we invest Rs. 100 today and get Rs. 110 one year later, we can say that Rs. 100 is the \_\_\_\_\_ of Rs. 110:  
 a) Compounded Value      b) Present Value  
 c) Future Value      d) All of the above
- Q.8 What is the full form of LIFO in context of inventory management?  
 a) Last in, First out  
 b) Least income, First output  
 c) Least investment, first output  
 d) None of the above
- Q.9 Which of these is true about Financial Management?  
 a) is needed in all types of organizations  
 b) It is a short-term activity  
 c) It is needed in case of only special events  
 d) None of the above is true

- Q.10 Which of these a method of inventory costing?  
 a) LIFO      b) HIFO  
 c) FIFO      d) All of the above

## SECTION-B

- Note:** Objective type questions. All questions are compulsory. (10x1=10)
- Q.11 There are \_\_\_\_\_ types of financial decision. (two/three)
- Q.12 Future value of a sum of money is usually \_\_\_\_\_ than the present value. (Less/More)
- Q.13 There are two approaches to discuss objectives of Financial Management: Profit maximization criteria and Wealth maximization criteria. (True/False)
- Q.14 \_\_\_\_\_ ratio show the long-term financial position of the firm. (Liquidity/Solvency)
- Q.15 A project with positive NPV should be \_\_\_\_\_. (selected/rejected)
- Q.16 Debenture-holders receives \_\_\_\_\_ on their debentures. (Interests/Dividend)
- Q.17 What is the full form of EOQ?
- Q.18 Name any two long-term sources of finance.
- Q.19 Keeping an adequate amount of inventory is an object of inventory management. (True/False)
- Q.20 The amount of inventory that a business should buy in one order so as to save its costs is known as \_\_\_\_\_. (EOQ/HIFO)